

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-47060	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT or CA AGREEMENT NAME:	
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP				9. WELL NAME and NUMBER: STATE 1021-36L	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078			PHONE NUMBER: (435) 781-7024		
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2014'FSL, 645'FWL <i>627722X 39.902172</i> AT PROPOSED PRODUCING ZONE: <i>4417758Y 109.505919</i>				11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 36 10S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 21.45 MILES SOUTHEAST OF OURAY, UTAH				12. COUNTY: UINTAH	
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 645'		16. NUMBER OF ACRES IN LEASE: 640.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 8,700		20. BOND DESCRIPTION: RLB0005237	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5441'GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:	

24. PROPOSED CASING AND CEMENTING PROGRAM							
SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT			SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT		
12 1/4"	9 5/8"	H-40	32.3#	1,720	265 SX	1.18	15.6
7 7/8"	4 1/2"	I-80	11.6#	8,700	1840 SX	1.31	14.3

25. ATTACHMENTS	
VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:	
<input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER	<input checked="" type="checkbox"/> COMPLETE DRILLING PLAN <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER

NAME (PLEASE PRINT) <u>SHEILA UPCHENO</u>	TITLE <u>REGULATORY ANALYST</u>
SIGNATURE	DATE <u>5/24/2006</u>

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38752

APPROVAL:

RECEIVED
MAY 30 2006
DIV. OF OIL, GAS & MINING

T10S, R21E, S.L.B.&M.

Kerr McGee Oil & Gas Onshore LP

Well location, STATE 1021-36L, located as shown in the NW 1/4 SW 1/4 of Section 36, T10S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

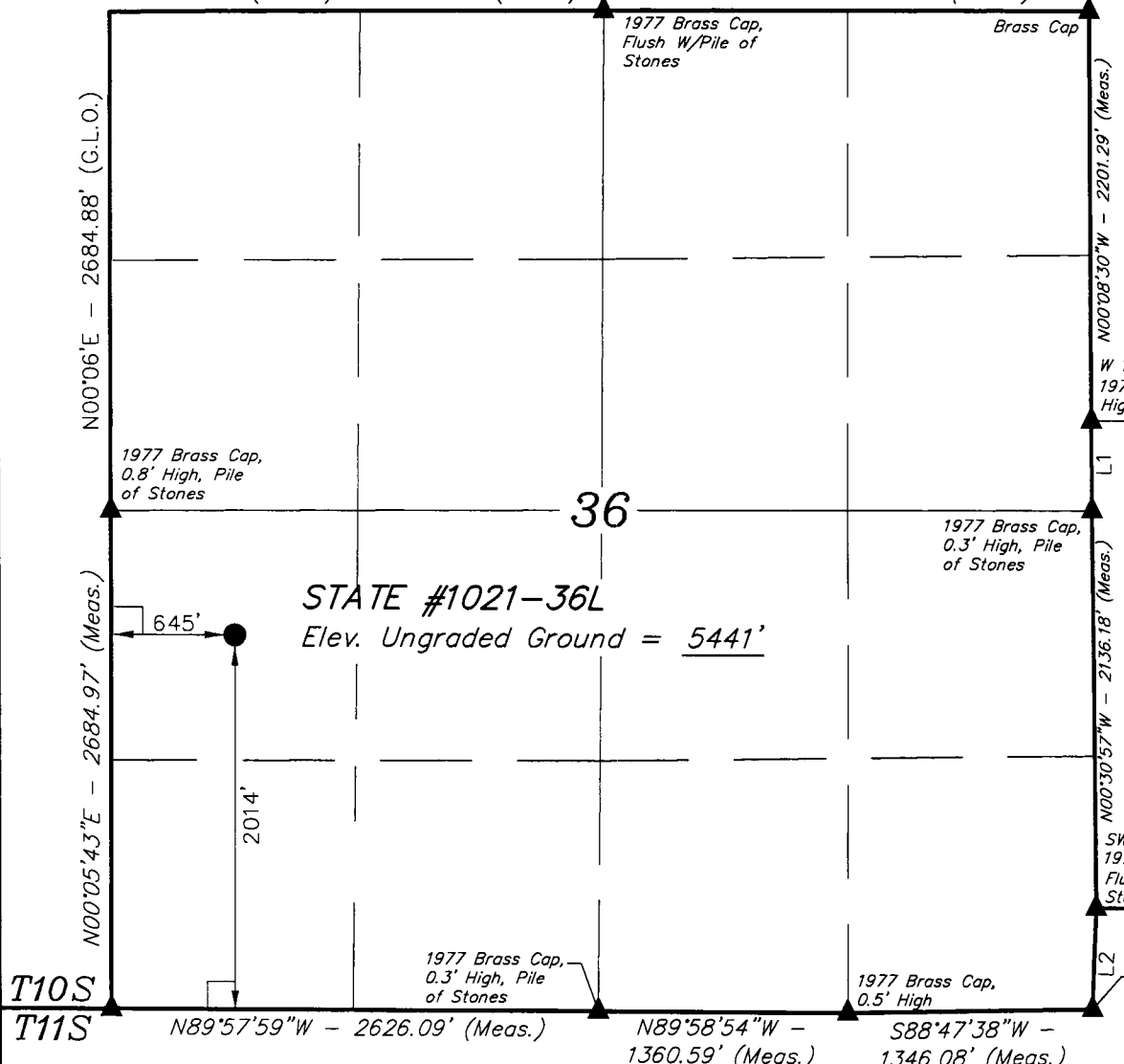
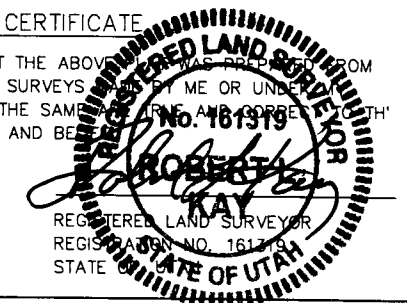
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MAP WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

LINE TABLE

LINE	DIRECTION	LENGTH
L1	N00°13'23"W	484.64'
L2	N02°12'25"E	546.05'

(NAD 83)

LATITUDE = 39°54'07.72" (39.902144)
LONGITUDE = 109°30'23.92" (109.506644)
(NAD 27)

LATITUDE = 39°54'07.84" (39.902178)
LONGITUDE = 109°30'21.45" (109.505958)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-26-06	DATE DRAWN: 04-27-06
PARTY N.H. T.F. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr McGee Oil & Gas Onshore LP	

**STATE 1021-36L
NWSW SECTION 36-T10S-R21E
UINTAH COUNTY, UTAH
LEASE NUMBER: ML-47060**

**ONSHORE ORDER NO. 1
WESTPORT OIL & GAS COMPANY**

DRILLING PROGRAM

1. Estimated Tops of Important Geologic Markers:

<u>Formation</u>	<u>Depth</u>
Uinta	Surface
Green River	924'
Top of Birds Nest Water	1214'
Mahogany	1756'
Wasatch	4029'
Mesa Verde	6618'
MVU2	7607'
MVL1	8224'
Total Depth	8700'

2. Estimated Depths of Anticipated Water, Oil, Gas, or Mineral Formations:

<u>Substance</u>	<u>Formation</u>	<u>Depth</u>
Water	Green River	924'
	Top of Birds Nest Water	1214'
	Mahogany	1756'
	Wasatch	4029'
Gas	Mesa Verde	6618'
Gas	MVU2	7607'
Gas	MVL1	8224'
Water	N/A	
Other Minerals	N/A	

3. Pressure Control Equipment:

Please refer to the attached Drilling Program.

4. Proposed Casing & Cementing Program:

Please refer to the attached Drilling Program.

5. Drilling Fluids Program:

Please refer to the attached Drilling Program.

6. **Evaluation Program:**

Please refer to the attached Drilling Program.

7. **Abnormal Conditions:**

Maximum anticipated bottomhole pressure at 9540' TD approximately equals 5394 psi (calculated at 0.62 psi/foot).

Maximum anticipated surface pressure equals approximately 3480 psi (bottomhole pressure minus the pressure of a partially evacuated hole calculated at 0.22 psi/foot).

8. **Anticipated Starting Dates & Notification of Operations:**

Please refer to the attached Drilling Program.

9. **Variances:**

Please refer to the attached Drilling Program.

10. **Other Information:**

Please refer to the attached Drilling Program.



KERR-McGEE OIL & GAS ONSHORE LP

DRILLING PROGRAM

COMPANY NAME KERR-McGEE OIL & GAS ONSHORE LP DATE May 24, 2006
 WELL NAME STATE 1021-36M TD 8,700' MD/TVD
 FIELD Natural Buttes COUNTY Uintah STATE Utah ELEVATION 5,480' GL KB 5,495'
 SURFACE LOCATION SWSW SECTION 36, T10S, R21E 522'FSL, 478'FWL BHL Straight Hole
 Latitude: 39.898050 Longitude: 109.507250
 OBJECTIVE ZONE(S) Wasatch/Mesaverde
 ADDITIONAL INFO Regulatory Agencies: UDGOM (SURF & MINERALS), Tri-County Health Dept.

LOGS	GEOLOGICAL FORMATION		DEPTH	HOLE SIZE	MECHANICAL CASING SIZE		MUD WEIGHT
	TOPS						
			40'		14"		
				12-1/4"	9-5/8", 32.3#, H-40, STC		Air mist
Catch water sample, if possible, from 0 to 4,029'							
			Green River @ 0,924'				
			Top of Birds Nest Water @ 1214'				
			Preset f/ GL @ 1,720' MD				
Note: 12.25" surface hole will usually be drilled ±400' below the bottom of lost circulation zone. Drilled depth may be ±200' of the estimated set depth depending on the actual depth of the loss zone.							
			Mahogany @ 1,756'				
Mud logging program TBD Open hole logging program f/ TD - surf csg							
			Wasatch @ 4,029'				
			Mverde @ 6,618'				
			MVU2 @ 7,607'				
			MVL1 @ 8,224'				
			TD @ 8,700'	7-7/8"	4-1/2", 11.6#, I-80 or equivalent LTC casing		Water/Fresh Water Mud 8.3-11.0 ppg
							Max anticipated Mud required 11.0 ppg



KERR-McGEE OIL & GAS ONSHORE LP DRILLING PROGRAM

CASING PROGRAM

	SIZE	INTERVAL	WT.	GR.	CPLG.	DESIGN FACTORS		
						BURST	COLLAPSE	TENSION
CONDUCTOR	14"	0-40'				2270	1370	254000
SURFACE	9-5/8"	0 to 1720	32.30	H-40	STC	0.74***** 7780	1.70 6350	5.22 201000
PRODUCTION	4-1/2"	0 to 8700	11.60	I-80	LTC	2.54	1.28	2.28

- 1) Max Anticipated Surf. Press. (MASP) (Surface Casing) = (Pore Pressure at next csg point - (0.22 psi/ft - partial evac gradient x TVD of next csg point))
 2) MASP (Prod Casing) = Pore Pressure at TD - (.22 psi/ft - partial evac gradient x TD)
 (Burst Assumptions: TD = 11.0 ppg) .22 psi/ft = gradient for partially evac wellbore
 (Collapse Assumption: Fully Evacuated Casing, Max MW) (Tension Assumptions: Air Weight of Casing * Buoy. Fact. of water)
 MASP 3062 psi

***** Burst SF is low but csg is much stronger than formation at 2000'. EMW @ 2000' for 2270# is 21.8 ppg or 1.13 psi/ft

CEMENT PROGRAM

		FT. OF FILL	DESCRIPTION	SACKS	EXCESS	WEIGHT	YIELD
SURFACE Option 1	LEAD	500	Premium cmt + 2% CaCl + .25 pps flocele	215	60%	15.60	1.18
	TOP OUT CMT (1)	200	20 gals sodium silicate + Premium cmt + 2% CaCl + .25 pps flocele	50		15.60	1.18
	TOP OUT CMT (2)	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
SURFACE Option 2	LEAD	1500	NOTE: If well will circulate water to surface, option 2 will be utilized Prem cmt + 16% Gel + 10 pps gilsonite + .25 pps Flocele + 3% salt BWOC	170	35%	11.00	3.82
	TAIL	500	Premium cmt + 2% CaCl + .25 pps flocele	180	35%	15.60	1.18
	TOP OUT CMT	as required	Premium cmt + 2% CaCl	as req.		15.60	1.18
PRODUCTION	LEAD	3,520'	Premium Lite II + 3% KCl + 0.25 pps celloflake + 5 pps gilsonite + 10% gel + 0.5% extender	390	60%	11.00	3.38
	TAIL	5,180'	50/50 Poz/G + 10% salt + 2% gel +.1% R-3	1450	60%	14.30	1.31

*Substitute caliper hole volume plus 0% excess for LEAD if accurate caliper is obtained

*Substitute caliper hole volume plus 10% excess for TAIL if accurate caliper is obtained

FLOAT EQUIPMENT & CENTRALIZERS

SURFACE	Guide shoe, 1 jt, insert float. Centralize first 3 joints with bow spring centralizers. Thread lock guide shoe.
PRODUCTION	Float shoe, 1 jt, float collar. Centralize first 3 joints & every third joint to top of tail cement with bow spring centralizers.

ADDITIONAL INFORMATION

Test casing head to 750 psi after installing. Test surface casing to 1,500 psi prior to drilling out.

BOPE: 11" 5M with one annular and 2 rams. Test to 5,000 psi (annular to 2,500 psi) prior to drilling out. Record on chart recorder &

tour sheet. Function test rams on each trip. Maintain safety valve & inside BOP on rig floor at all times. Kelly to be equipped with upper & lower kelly valves.

Drop Totco surveys every 2000'. Maximum allowable hole angle is 5 degrees.

Most rigs have PVT Systems for mud monitoring. If no PVT is available, visual monitoring will be utilized.

DRILLING ENGINEER:

Brad Laney

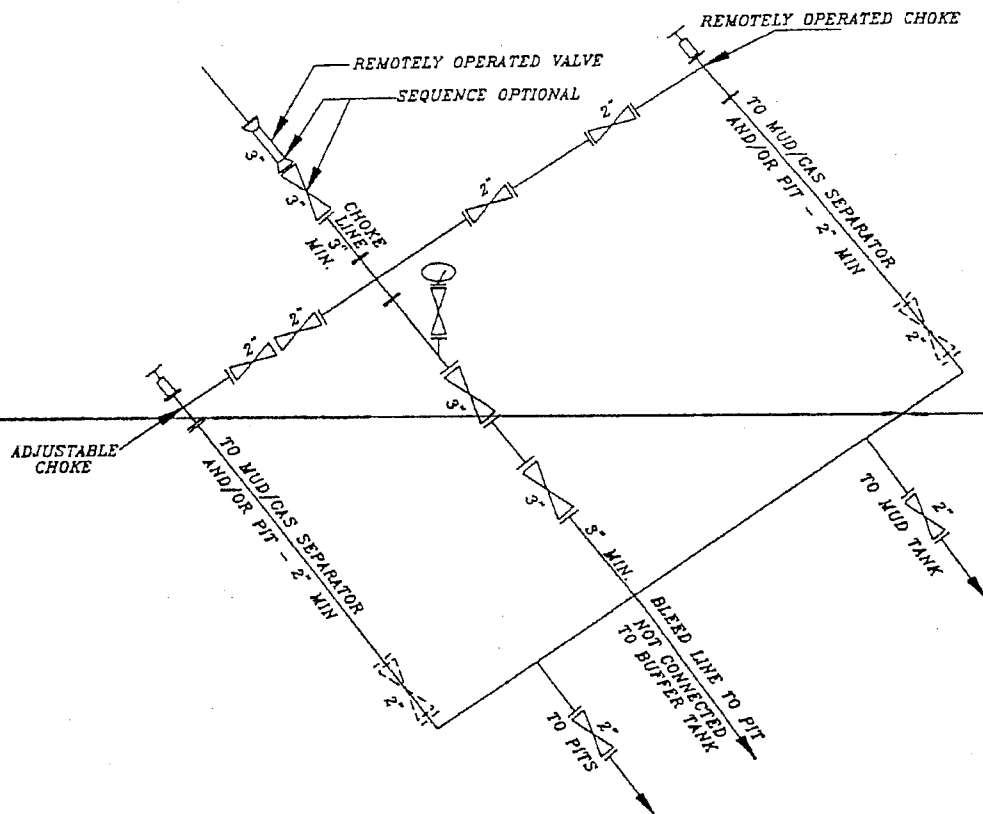
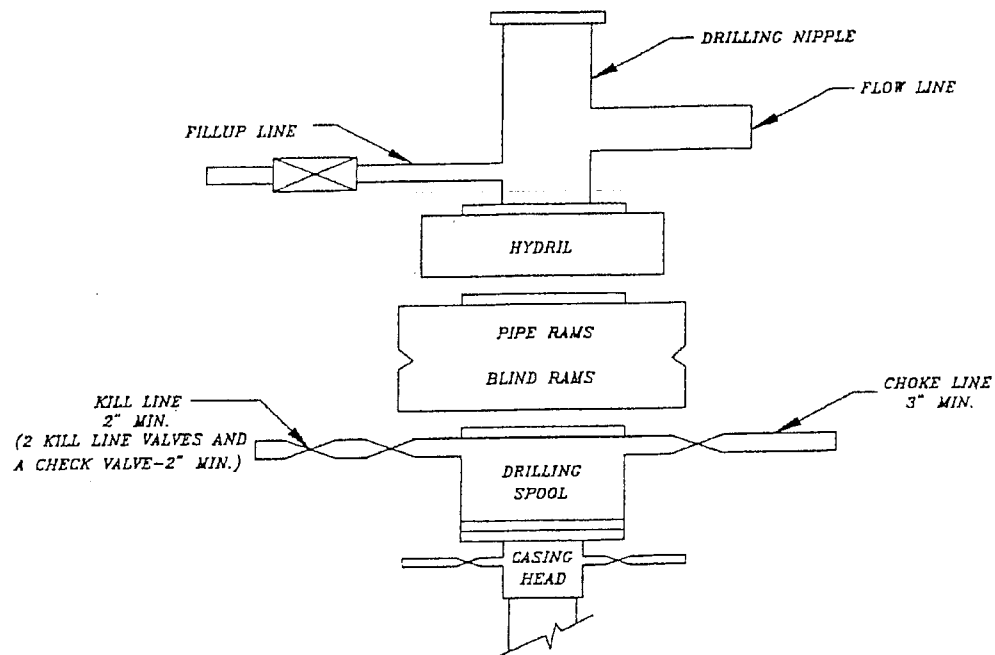
DATE: _____

DRILLING SUPERINTENDENT:

Randy Bayne

DATE: _____

5M BOP STACK and CHOKE MANIFOLD SYSTEM



STATE 1021-36L
NWSW Sec. 36, T10S-R21E
Uintah County, UT
ML-47060

ONSHORE ORDER NO. 1

MULTI-POINT SURFACE USE & OPERATIONS PLAN

1. Existing Roads:

Refer to Topo Map A for directions to the location.

Refer to Topo Maps A and B for location of access roads within a 2-mile radius.

All existing roads will be maintained and kept in good repair during all drilling and completion operations associated with this well.

2. Planned Access Roads:

Approximately 0.35 +/- miles of new access road is proposed. Refer to Topo Map B for the location of the proposed access road.

The upgraded and new portions of the access road will be crowned and ditched with a running surface of 18 feet and a maximum disturbed width of 30 feet. Appropriate water control will be installed to control erosion.

Existence of pipelines; maximum grade; turnouts; major cut and fills, culverts, or bridges; gates, cattle guards, fence cuts, or modifications to existing facilities will be determined at the on-site.

The access road was centerline flagged during time of staking.

Surfacing material may be necessary, depending upon weather conditions.

Surface disturbance and vehicular traffic will be limited to the approved location and approved access route. Any additional area needed will be approved in advance.

3. Location of Existing Wells Within a 1-Mile Radius

Please refer to Topo Map C.

4. Location of Existing & Proposed Facilities & Pipelines

The following guidelines will apply if the well is productive.

All production facilities will be located on the disturbed portion of the well pad and at a minimum of 25 feet from the toe of the back slope or the top of the fill slope.

A dike will be constructed completely around those production facilities which contain fluids (i.e., production tanks, produced water tanks, and/or heater/treater). These dikes will be constructed of compacted subsoil, be impervious, hold 100% of the capacity of

the largest tank, and be independent of the back cut.

All permanent (on-site six months or longer) above the ground structures constructed or installed, including pumping units, will be painted a flat, non-reflective, earthtone color to match one of the standard environmental colors, as determined by the five state Rocky Mountain Inter-Agency Committee.

All facilities will be painted within six months of installation. Facilities required to comply with the Occupational Safety and Health Act (OSHA) will be excluded. The required color is Carlsbad Canyon, standard color number 2.5Y 6/2.

Any necessary pits will be properly fenced to protect livestock and prevent wildlife entry.

Approximately 1812' of 4" pipeline is proposed. The pipeline will be butt-welded together. Refer to Topo D for the proposed pipeline.

5. Location and Type of Water Supply:

Water for drilling purposes will be obtained from Dalbo Inc.'s underground well located in Ouray, Utah, Sec. 32, T4S, R3E, Water User Claim #43-8496, Application #53617.

Water will be hauled to location over the roads marked on Maps A and B.

No water well is to be drilled on this lease.

6. Source of Construction Materials

Surface and subsoil materials in the immediate area will be utilized.

Any gravel will be obtained from a commercial source.

7. Methods of Handling Waste Materials

Drill cuttings will be contained and buried in the reserve pit.

Drilling fluids, including salts and chemicals, will be contained in the reserve pit. Upon termination of drilling and completion operations, the liquid contents of the reserve pit will be removed and disposed of at an approved waste disposal facility within 120 days after drilling is terminated.

The reserve pit will be constructed on the location and will not be located within natural drainage, where a flood hazard exists or surface runoff will destroy or damage the pit walls. The reserve pit will be constructed so that it will not leak, break, or allow discharge of liquids.

A plastic reinforced liner and felt will be used, it will be a minimum of 16 mil thick, with sufficient bedding used to cover any rocks. The liner will overlap the pit walls and be covered with dirt and/or rocks to hold it in place. No trash or scrap that could puncture the liner will be disposed of in the pit.

Any spills of oil, gas, salt water, or other noxious fluids will be immediately cleaned up and removed to an approved disposal site.

A chemical porta-toilet will be furnished with the drilling rig.

Garbage, trash, and other waste materials will be collected in a portable, self-contained, fully enclosed trash cage during operations. No trash will be burned on location.

All debris and other waste material not contained in the trash cage will be cleaned up and removed from the location immediately after removal of the drilling rig.

Any open pits will be fenced during the operations. The fencing will be maintained until such time as the pits are backfilled.

No chemicals subject to reporting under SARA Title III (hazardous materials) in an amount greater than 10,000 pounds will be used, produced, stored, transported, or disposed of annually in association with the drilling of this well. Furthermore, no extremely hazardous substances, as defined in 40 CFR 355, in threshold planning quantities, will be used, produced, stored, transported, or disposed of in association with the drilling of this well.

Any produced water from the proposed well will be contained in a water tank and will then be hauled By truck to one of the pre-approved disposal sites: RNI, Sec. 5, T9S, R22E, NBU #159, Sec. 35, T9S, R21E, Ace Oilfield, Sec. 2, T6S, R20E, MC&MC, Sec. 12, T6S, R19E.

8. Ancillary Facilities

None are anticipated.

9. Well Site Layout: (See Location Layout Diagram)

The attached Location Layout Diagram describes drill pad cross-sections, cuts and fills, and locations of the mud tanks, reserve pit, flare pit, pipe racks, trailer parking, spoil dirt stockpile(s), and surface material stockpile(s).

Please see the attached diagram to describe rig orientation, parking areas, and access roads.

The reserve pit will be lined, and when the reserve pit is closed, the pit liner will be buried below plow depth.

All pits will be fenced according to the following minimum standards:

39 inch net wire will be used with at least one strand of barbed wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.

The net wire shall be no more than two inches above the ground. The barbed wire shall be three inches over the net wire. Total height of the fence shall be at least 42 inches.

Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.

Standard steel, wood, or pipe posts shall be used between the corner braces. Maximum distance between any 2 fence posts shall be no greater than 16 feet.

All wire shall be stretched, by using a stretching device, before it is attached to corner posts.

The reserve pit fencing will be on three sides during drilling operations, and on the fourth side when the rig moves off location. Pits will be fenced and maintained until cleanup.

Location size may change prior to the drilling of the well due to current rig availability. If the proposed location is not large enough to accommodate the drilling rig the location will be re-surveyed and a Form 9 shall be submitted.

10. Plans for Reclamation of the Surface:

Producing Location:

Immediately upon well completion, the location and surrounding area will be cleared of all unused tubing, materials, trash, and debris not required for production.

Immediately upon well completion, any hydrocarbons in the pit shall be removed in accordance with 43 CFR 3162.7-1.

A plastic, nylon reinforced liner will be used, it shall be torn and perforated before backfilling of the reserve pit.

Before any dirt work associated with location restoration takes place, the reserve pit shall be as dry as possible. All debris in it will be removed. Other waste and spoil materials will be disposed of immediately upon completion of operations.

The reserve pit and that portion of the location not needed for production facilities/operations will be recontoured to the approximate natural contours. The reserve pit will be reclaimed within 90 days from the date of well completion, weather permitting.

To prevent surface water (s) from standing (ponding) on the reclaimed reserve pit area, final reclamation of the reserve pit will consist of "mounding" the surface three feet above surrounding ground surface to allow the reclaimed pit area to drain effectively.

Upon completion of backfilling, leveling, and recontouring, the stockpiled topsoil will be spread evenly over the reclaimed area(s).

Dry Hole/Abandoned Location:

Abandoned well sites, roads, and other disturbed areas will be restored as near as practical to their original condition. Where applicable, these conditions include the re-establishment of irrigation systems, the re-establishment of appropriate soil conditions, and re-establishment of vegetation as specified.

All disturbed surfaces will be recontoured to the approximate natural contours, with reclamation of the well pad and access road to be performed as soon as practical after final abandonment. Reseeding operations will be performed after completion of other reclamation operations.

11. Surface Ownership:

SITLA
675 East 500 South, Suite 500
Salt Lake City, UT 84102

12. Other Information:

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, the approved Plan of Operations, and any applicable Notice of Lessees. The Operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

The Operator will control noxious weeds along Rights-Of-Way for roads, pipelines, well sites, or other applicable facilities.

A Class III archaeological survey has been performed by MOAC and completed on March 23, 2006, the Archaeological Report No.06-91.

13. Lessee's or Operators's Representative & Certification:

Sheila Upchego
Regulatory Analyst
Kerr McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435) 781-7024

Randy Bayne
Drilling Operations Manager
Kerr McGee Oil & Gas Onshore LP
1368 South 1200 East
Vernal, UT 84078
(435)781-7018

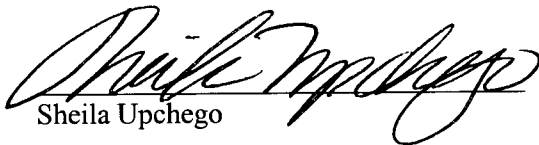
Certification: All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, Onshore Oil and Gas Orders, the approved Plan of Operations, and any applicable Notice to Lessees.

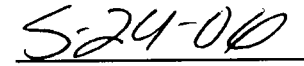
The Operator will be fully responsible for the actions of its subcontractors. A complete copy of the approved "Application for Permit to Drill" will be furnished to the field representative(s) to ensure compliance and shall be on location during all construction and drilling operations.

Kerr McGee Oil & Gas Onshore LP, is considered to be the operator of the subject well. Kerr McGee Oil & Gas Onshore LP, agrees to be responsible under terms and conditions of the lease for the operations conducted upon leased lands.

Bond coverage pursuant to 43 CFR 3104 for lease activities is being provided by State Surety Bond #RLB0005236.

I hereby certify that I, or persons under my supervision, have inspected the proposed drill site and access route, that I am familiar with the conditions that currently exist; that the statements made in this plan are, to the best of my knowledge, true and correct; and the work associated with the operations proposed herein will be performed by the Operator, its contractors, and subcontractors in conformity with this plan and the terms and conditions under which it is approved.


Sheila Upchego


Date

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36L

SECTION 36, T10S, R21E, S.L.B.&M.

PROCEED IN A WESTERLY DIRECTION FROM VERNAL, UTAH ALONG U.S. HIGHWAY 40 APPROXIMATELY 14.0 MILES TO THE JUNCTION OF STATE HIGHWAY 88; TURN LEFT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 17.0 MILES TO OURAY, UTAH; PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 11.2 MILES ON THE SEEP RIDGE ROAD TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE EAST; TURN LEFT AND PROCEED IN AN EASTERLY, THEN SOUTHEASTERLY DIRECTION APPROXIMATELY 6.6 MILES TO THE JUNCTION OF THIS ROAD AND AN EXISTING ROAD TO THE SOUTH; TURN RIGHT AND PROCEED IN A SOUTHERLY DIRECTION APPROXIMATELY 2.5 MILES TO THE BEGINNING OF THE PROPOSED ACCESS FOR THE #1021-36M TO THE SOUTHEAST; FOLLOW ROAD FLAGS IN A SOUTHEASTERLY DIRECTION APPROXIMATELY 0.8 MILES TO THE BEGINNING OF THE PROPOSED ACCESS TO THE NORTHEAST; FOLLOW ROAD FLAGS IN A NORTHEASTERLY DIRECTION APPROXIMATELY 0.35 MILES TO PROPOSED LOCATION.

TOTAL DISTANCE FROM VERNAL, UTAH TO THE PROPOSED WELL LOCATION IS APPROXIMATELY 52.45 MILES.

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36L

LOCATED IN UINTAH COUNTY, UTAH
SECTION 36, T10S, R21E, S.L.B.&M.

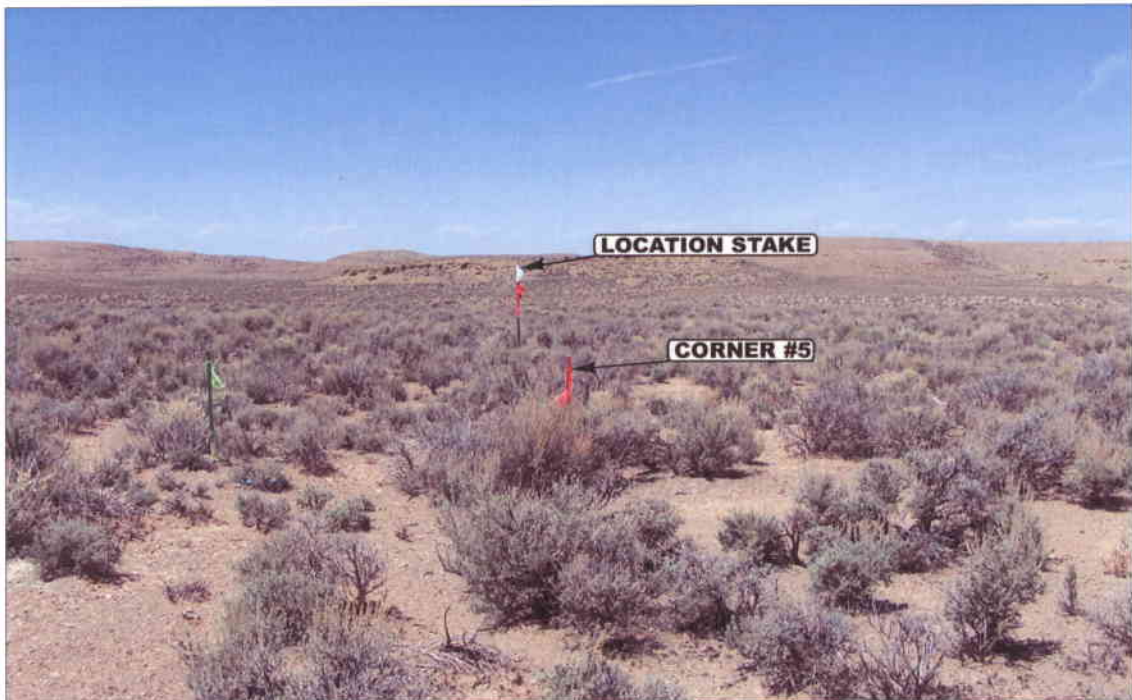


PHOTO: VIEW FROM CORNER #5 TO LOCATION STAKE

CAMERA ANGLE: NORTHWESTERLY



PHOTO: VIEW FROM BEGINNING OF PROPOSED ACCESS

CAMERA ANGLE: NORTHERLY



UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

- Since 1964 -

LOCATION PHOTOS

04 27 06
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.P.

REVISED: 00-00-00

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36L

PIPELINE ALIGNMENT

LOCATED IN UINTAH COUNTY, UTAH

SECTION 36, T10S, R21E, S.L.B.&M.

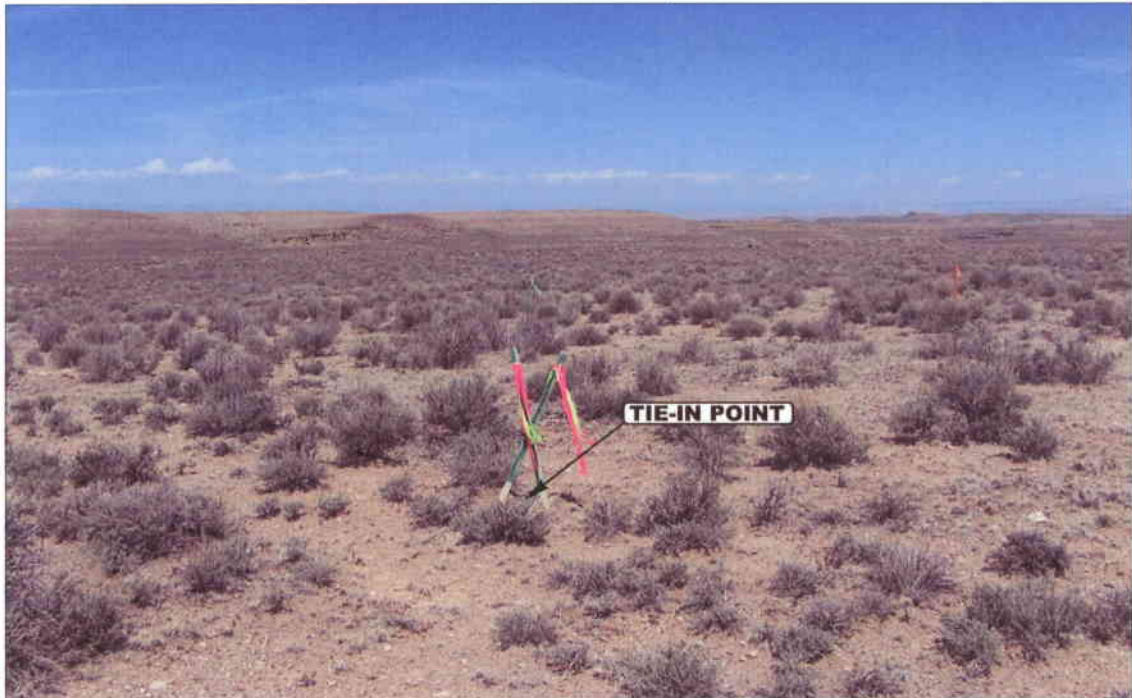


PHOTO: VIEW FROM TIE-IN POINT

CAMERA ANGLE: NORTHERLY



PHOTO: VIEW OF PIPELINE ALIGNMENT

CAMERA ANGLE: NORTHEASTERLY



UELS

Uintah Engineering & Land Surveying

85 South 200 East Vernal, Utah 84078

435-789-1017 uels@uelsinc.com

- Since 1964 -

PIPELINE PHOTOS

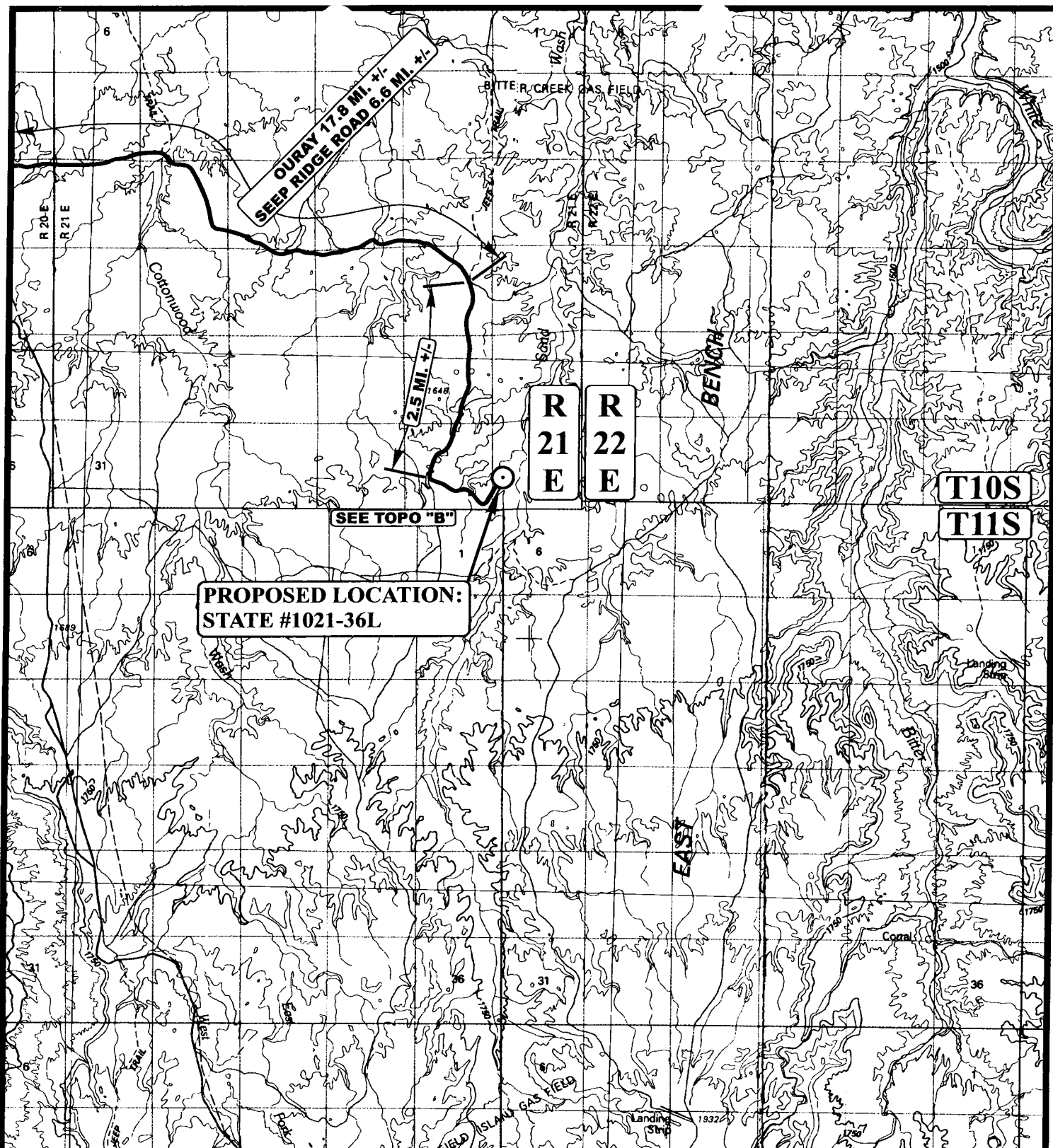
04 27 06
MONTH DAY YEAR

PHOTO

TAKEN BY: N.H.

DRAWN BY: C.P.

REVISED: 00-00-00



LEGEND:

⊙ PROPOSED LOCATION



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



Kerr-McGee Oil & Gas Onshore LP

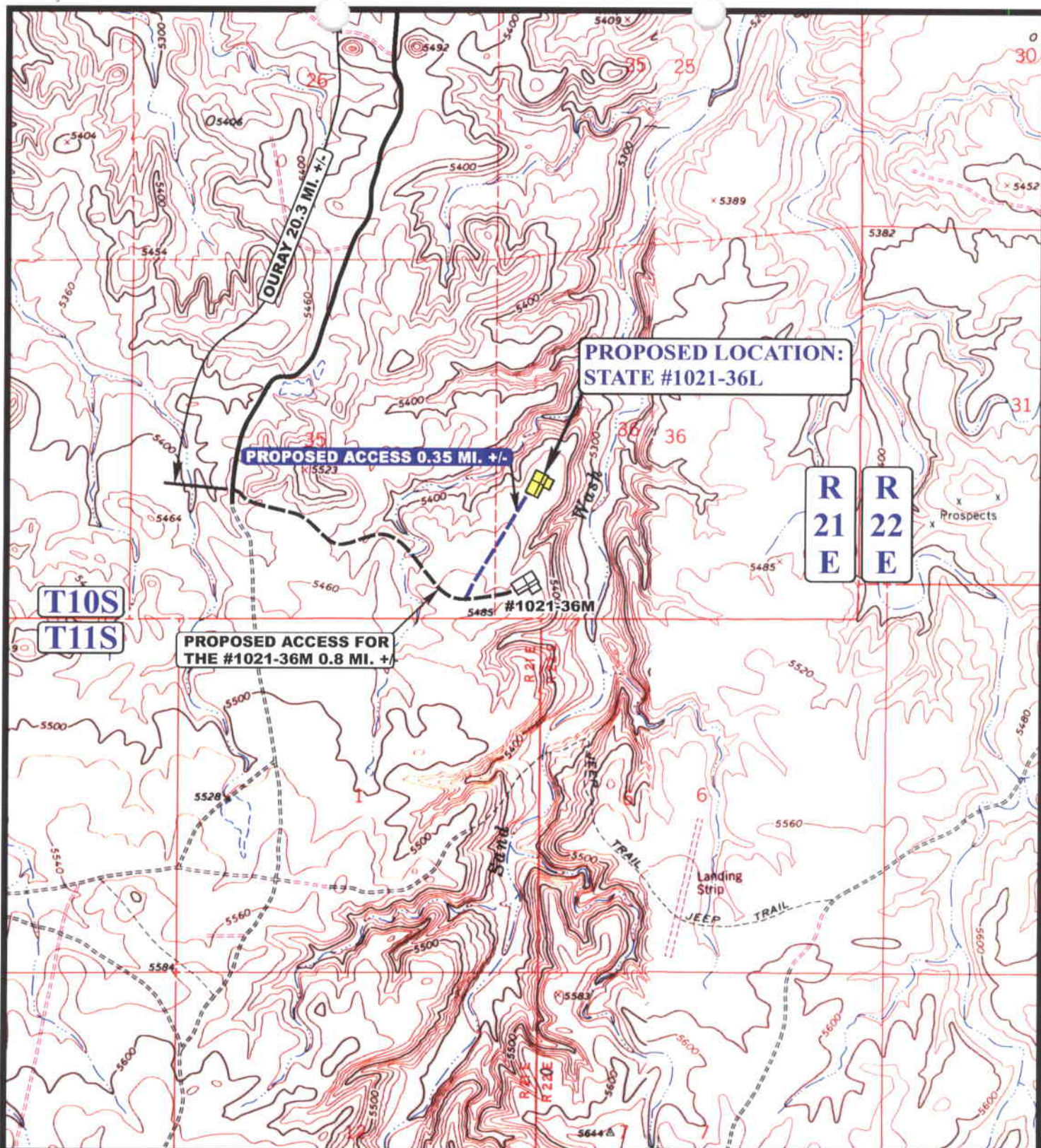
STATE #1021-36L
 SECTION 36, T10S, R21E, S.L.B.&M.
 2014' FSL 645' FWL

TOPOGRAPHIC
 MAP

04 27 06
 MONTH DAY YEAR

SCALE: 1:100,000 DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

— EXISTING ROAD
- - - PROPOSED ACCESS ROAD

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36L

SECTION 36, T10S, R21E, S.L.B.&M.

2014' FSL 645' FWL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

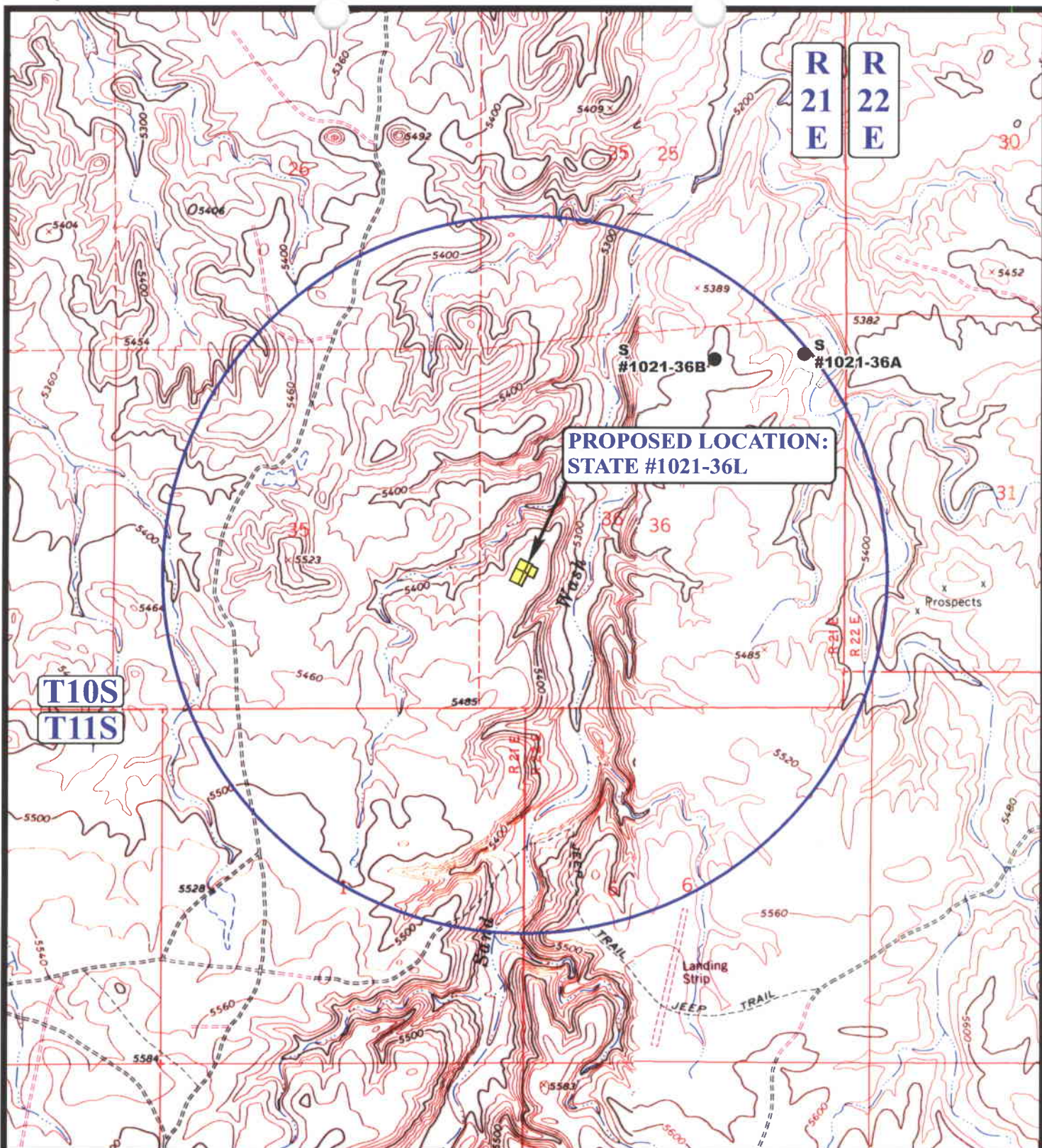


TOPOGRAPHIC
MAP

04 **27** **06**
MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00





LEGEND:

- | | |
|-------------------|-------------------------|
| ⊗ DISPOSAL WELLS | ⊗ WATER WELLS |
| ● PRODUCING WELLS | ● ABANDONED WELLS |
| ● SHUT IN WELLS | ● TEMPORARILY ABANDONED |

Kerr-McGee Oil & Gas Onshore LP

STATE #1021-36L

SECTION 36, T10S, R21E, S.L.B.&M.

2014' FSL 645' FWL



Utah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC
MAP

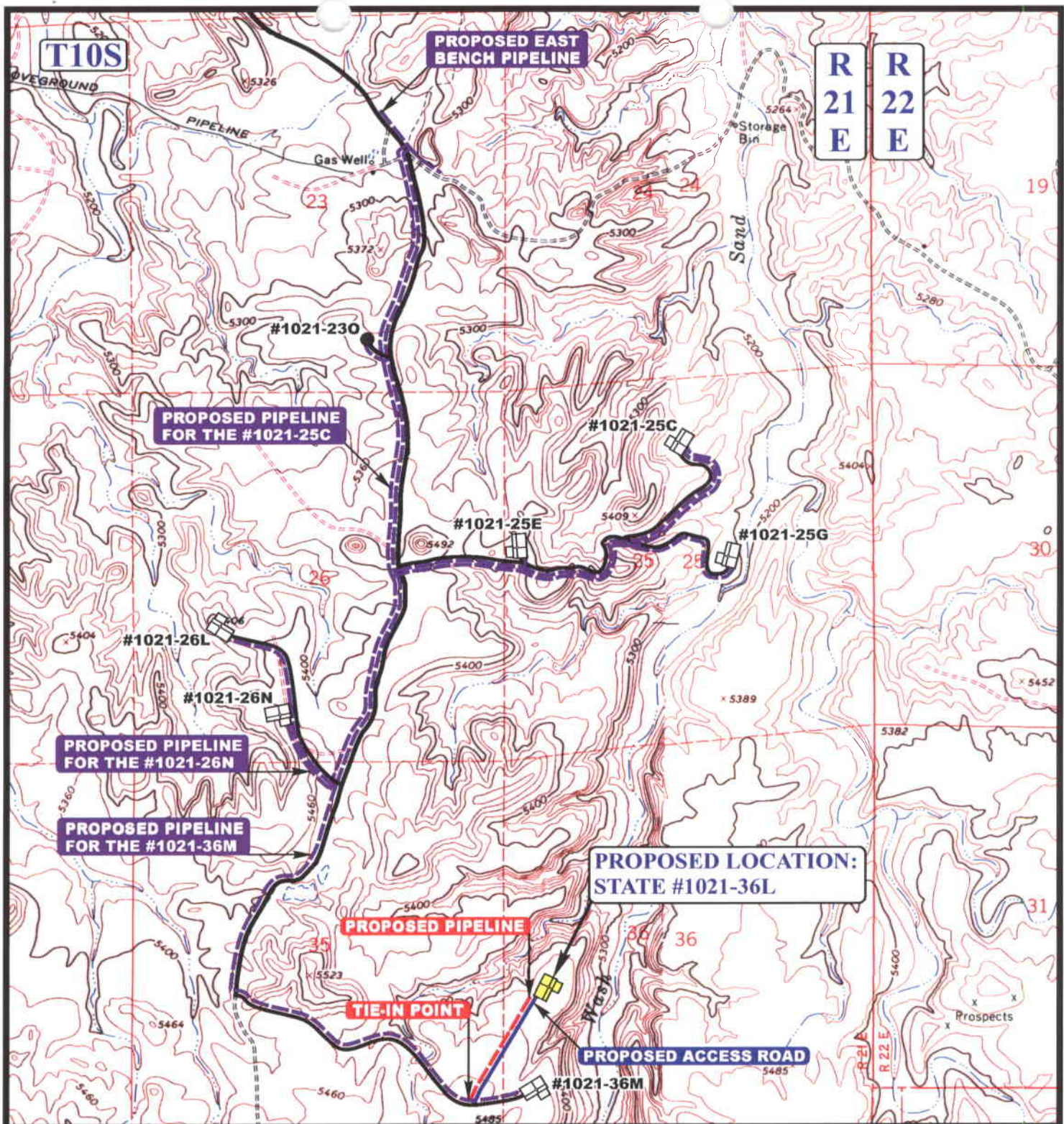
04 27 06
MONTH DAY YEAR

SCALE: 1" = 2000'

DRAWN BY: C.P.

REVISED: 00-00-00





APPROXIMATE TOTAL PIPELINE DISTANCE = 1,812' +/-

LEGEND:

- PROPOSED ACCESS ROAD
- - - - - PROPOSED PIPELINE
- - - - - PROPOSED PIPELINE (SERVICING OTHER WELLS)

N

Kerr-McGee Oil & Gas Onshore LP
STATE #1021-36L
SECTION 36, T10S, R21E, S.L.B.&M.
2014' FSL 645' FWL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC
MAP

04 27 06
 MONTH DAY YEAR

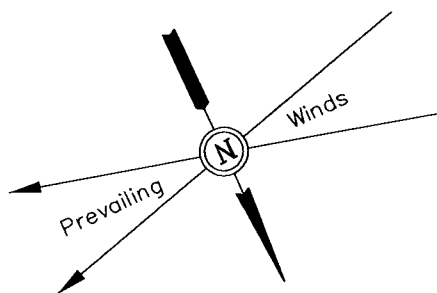
SCALE: 1" = 2000' DRAWN BY: C.P. REVISED: 00-00-00



FIGURE #1

STATE #1021-36L

2014' FNL 645' FWL



Drawn By: C.H.

Flare Pit is to be located
a min. of 100' from the
Well Head.

Approx.
Top of —
Cut Slope

Proposed Access Road

$F-0.4'$
 $El. 40.2'$

Approx.
Toe of
Fill Slope



Topsoil Stockpile

F-2.0'
El. 38.6'

El. 43.6'
C-13.0'
(btm. pit)

C-1.3'
El. 41.9'

Bloogie Line

Reserve Pit Backfill
& Spoils Stockpile

15' WIDE BENCH

RESERVE PITS
(10' Deep)

Total Pit Capacity
W/2' of Freeboard
= 15,490 Bbls. ±
Total Pit Volume
= 4,280 Cu. Yds.

1 1/2:1 Slope

C-1.1'
El. 41.7'

PIPE TUBS

CATWALK

PIPE RACKS

C-0.4'
FL 41.0'

[illegible]

135' Sta. 1+50

TOILET

TRAILER

WATER
TANK

PLANT

BOILER

COMPRESSOR

□

Sta. 0+50

F-0.8'
El. 39.8'

PROPANE STORAGE

$F-2.0'$
El. 38.6'

Sta. 0+00

F-4.2'
El. 36.4'

NOTES:

Elev. Ungraded Ground At Loc. Stake = 5441.0'

FINISHED GRADE ELEV. AT LOC. STAKE = 5440.6'

UINTAH ENGINEERING & LAND SURVEYING

85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

TYPICAL CROSS SECTIONS FOR

STATE #1021-36L

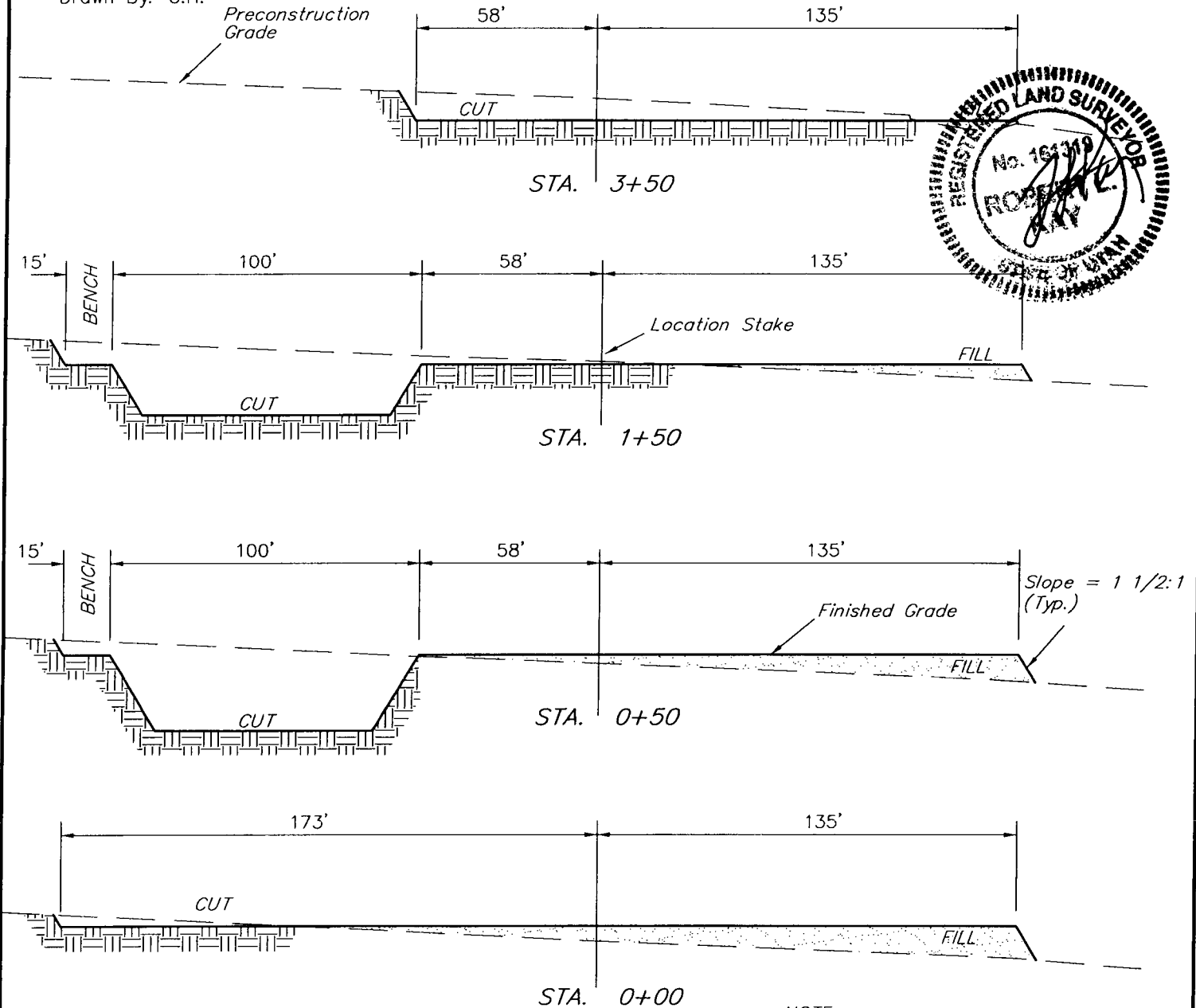
SECTION 36, T10S, R21E, S.L.B.&M.

2014' FNL 645' FWL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 04-28-06

Drawn By: C.H.



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT
(6") Topsoil Stripping = 1,760 Cu. Yds.
Remaining Location = 6,100 Cu. Yds.

TOTAL CUT = 7,860 CU.YDS.
FILL = 2,890 CU.YDS.

NOTE:

Topsoil should not be
Stripped Below Finished
Grade on Substructure Area.

EXCESS MATERIAL = 4,970 Cu. Yds.
Topsoil & Pit Backfill = 3,900 Cu. Yds.
(1/2 Pit Vol.)
EXCESS UNBALANCE = 1,070 Cu. Yds.
(After Interim Rehabilitation)

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

WORKSHEET
APPLICATION FOR PERMIT TO DRILL

APD RECEIVED: 05/30/2006

API NO. ASSIGNED: 43-047-38152

WELL NAME: STATE 1021-36L

OPERATOR: KERR-MCGEE OIL & GAS (N2995)

PHONE NUMBER: 435-781-7024

CONTACT: SHEILA UPCHEGO

PROPOSED LOCATION:

NWSW 36 100S 210E

SURFACE: 2014 FSL 0645 FWL

BOTTOM: 2014 FSL 0645 FWL

COUNTY: Uintah

LATITUDE: 39.90217 LONGITUDE: -109.5059

UTM SURF EASTINGS: 627722 NORTHINGS: 4417758

FIELD NAME: NATURAL BUTTES (630)

INSPECT LOCATN BY: / /		
Tech Review	Initials	Date
Engineering	DWD	8/25/06
Geology		
Surface		

LEASE TYPE: 3 - State

LEASE NUMBER: ML-47060

SURFACE OWNER: 3 - State

PROPOSED FORMATION: WSMVD

COALBED METHANE WELL? NO

RECEIVED AND/OR REVIEWED:

- ☒ Plat
- ☒ Bond: Fed[] Ind[] Sta[] Fee[]
(No. RLB0005236)
- ☒ Potash (Y/N)
- ☒ Oil Shale 190-5 (B) or 190-3 or 190-13
- ☒ Water Permit
(No. 43-8496)
- ☒ RDCC Review (Y/N)
(Date:)
- ☒ Fee Surf Agreement (Y/N)
- ☒ Intent to Commingle (Y/N)

LOCATION AND SITING:

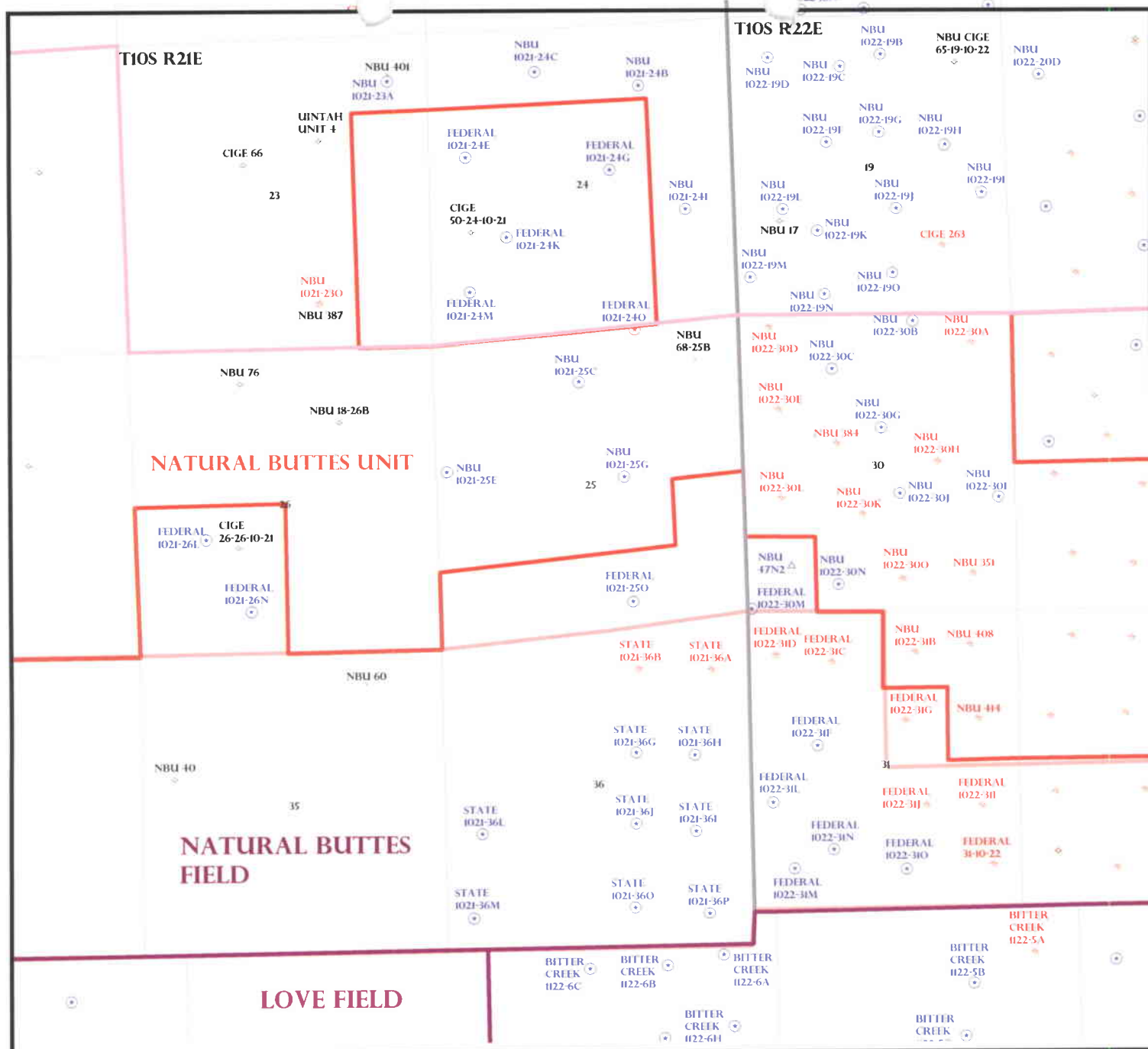
- ☐ R649-2-3.
- Unit: _____
- ☒ R649-3-2. General
Siting: 460' From Qtr/Qtr & 920' Between Wells
- ☐ R649-3-3. Exception
- ☐ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
- ☐ R649-3-11. Directional Drill

COMMENTS:

Needs Profile (07-26-06)

STIPULATIONS:

- 1- Spacing Strip
- 2- STATEMENT OF BASIS
- 3- OIL SHALE
- 4- Surface Csg Cont Strip



OPERATOR: KERR-MCGEE O&G (N2995)

SEC: 24,36 T. 10S R. 21E

FIELD: NATURAL BUTTES (630)

COUNTY: UTAH

SPACING: R649-3-2 / GENERAL SITING

Field Status

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED

Unit Status

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Wells Status

- GAS INJECTION
- GAS STORAGE
- LOCATION ABANDONED
- NEW LOCATION
- PLUGGED & ABANDONED
- PRODUCING GAS
- PRODUCING OIL
- SHUT-IN GAS
- SHUT-IN OIL
- TEMP. ABANDONED
- TEST WELL
- WATER INJECTION
- WATER SUPPLY
- WATER DISPOSAL
- DRILLING



Utah Oil Gas and Mining



PREPARED BY: DIANA WHITNEY
DATE: 6-JUNE-2006

DIVISION OF OIL, GAS AND MINING
APPLICATION FOR PERMIT TO DRILL
STATEMENT OF BASIS

OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.
WELL NAME & NUMBER: STATE 1021-36L
API NUMBER: 43-047-38152
LOCATION: 1/4, 1/4 NW/SW Sec: 36 TWP: 10S RNG: 21E 2014' FSL 645' FWL

Geology/Ground Water:

Kerr McGee proposes to set 1,720' of surface casing at this location. The depth to the base of the moderately saline water at this location is estimated to be at a depth of 3,400'. A search of Division of Water Rights records shows no water wells within a 10,000 foot radius of the center of Section 36. The surface formation at this site is the Uinta Formation. The Uinta Formation is made up of interbedded shales and sandstones. The sandstones are mostly lenticular and discontinuous and should not be a significant source of useable ground water. Production casing cement should be brought up above the base of the moderately saline ground water to isolate it from fresher waters uphole.

Reviewer: Brad Hill **Date:** 08/01/06

Surface:

The predrill investigation of the surface was performed on 7/26/06. Ben Williams with DWR and Ed Bonner with SITLA were invited to this investigation on 7/18/06. Neither was present. This site is on State surface, with State minerals, and appears to be the best site for a location in the immediate area. There is a gilsonite mine located 0.7 miles west of this site. I told Carroll Estes that it would be necessary for the dirt contractor to notify the personnel at this mine before using explosives while constructing this location or reserve pit. He said he would make sure that happened.

Reviewer: David W. Hackford **Date:** 7/27/2006

Conditions of Approval/Application for Permit to Drill:

1. A synthetic liner with a minimum thickness of 12 mils shall be properly installed and maintained in the reserve pit.

ON-SITE PREDRILL EVALUATION
Division of Oil, Gas and Mining

OPERATOR: KERR MCGEE OIL & GAS ONSHORE L.P.
WELL NAME & NUMBER: STATE 1021-36L
API NUMBER: 43-047-38152
LEASE: ML-47060 FIELD/UNIT: NATURAL BUTTES
LOCATION: 1/4, 1/4 NW/SW Sec: 36 TWP: 10S RNG: 21E 2014' FSL 645' FWL
LEGAL WELL SITING: 460 F SEC. LINE; 460 F 1/4, 1/4 LINE; 920 F ANOTHER WELL.
GPS COORD (UTM): 627719E 4417757N SURFACE OWNER: STATE OF UTAH

PARTICIPANTS

DAVID W. HACKFORD (DOGM), DAVID KAY (UELS), A.J. KACACK, CARROLL ESTES (KERR-MCGEE).

REGIONAL/LOCAL SETTING & TOPOGRAPHY

SITE IS 200' WEST OF THE WEST RIM OF SAND WASH. THE BOTTOM OF SAND WASH IS 600' TO THE EAST. SAND WASH RUNS TO THE NORTH FOR 12 MILES TO THE WHITE RIVER. TO THE WEST THERE IS A SHARP, DEEP DRAW RUNNING TO THE NORTHEAST AND ENTERS SAND WASH 0.3 MILES TO THE NORTHEAST. OURAY, UTAH IS 21 MILES TO THE NORTHWEST.

SURFACE USE PLAN

CURRENT SURFACE USE: WILDLIFE AND LIVESTOCK GRAZING, HUNTING.

PROPOSED SURFACE DISTURBANCE: LOCATION WILL BE 350' BY 293'. ACCESS ROAD WILL BE 0.35 MILES.

LOCATION OF EXISTING WELLS WITHIN A 1 MILE RADIUS: SEE ATTACHED MAP FROM GIS DATABASE.

LOCATION OF PRODUCTION FACILITIES AND PIPELINES: ALL PRODUCTION FACILITIES WILL BE ON LOCATION AND ADDED AFTER DRILLING WELL. PIPELINE WILL FOLLOW ACCESS ROAD.

SOURCE OF CONSTRUCTION MATERIAL: ALL CONSTRUCTION MATERIAL WILL BE BORROWED FROM SITE DURING CONSTRUCTION OF LOCATION.

ANCILLARY FACILITIES: NONE WILL BE REQUIRED.

WILL DRILLING AT THIS LOCATION GENERATE PUBLIC INTEREST OR CONCERNS?
EXPLAIN: UNLIKELY.

WASTE MANAGEMENT PLAN:

DRILLED CUTTINGS WILL BE SETTLED INTO RESERVE PIT. LIQUIDS FROM PIT WILL BE ALLOWED TO EVAPORATE. FORMATION WATER WILL BE CONFINED TO STORAGE

TANKS. SEWAGE FACILITIES, STORAGE AND DISPOSAL WILL BE HANDLED BY COMMERCIAL CONTRACTOR. TRASH WILL BE CONTAINED IN TRASH BASKETS AND HAULED TO AN APPROVED LAND FILL.

ENVIRONMENTAL PARAMETERS

AFFECTED FLOODPLAINS AND/OR WETLANDS: NONE

FLORA/FAUNA: SAGEBRUSH, HORSEBRUSH, PRICKLY PEAR, SHADSCALE, SALTBRUSH, RABBITBRUSH: PRONGHORN, RODENTS, SONGBIRDS, RAPTORS, COYOTE, RABBITS.

SOIL TYPE AND CHARACTERISTICS: LIGHT BROWN SANDY CLAY.

EROSION/SEDIMENTATION/STABILITY: VERY LITTLE NATURAL EROSION. SEDIMENTATION AND STABILITY ARE NOT A PROBLEM AND LOCATION CONSTRUCTION SHOULDN'T CAUSE AN INCREASE IN STABILITY OR EROSION PROBLEMS.

PALEONTOLOGICAL POTENTIAL: NONE OBSERVED.

RESERVE PIT

CHARACTERISTICS: 100' BY 150' AND 10' DEEP.

LINER REQUIREMENTS (Site Ranking Form attached): A 12 MIL LINER WILL BE REQUIRED FOR RESERVE PIT.

SURFACE RESTORATION/RECLAMATION PLAN

AS PER SITLA.

SURFACE AGREEMENT: AS PER SITLA.

CULTURAL RESOURCES/ARCHAEOLOGY: SITE WAS INSPECTED BY M.O.A.C. ARCHEOLOGICAL CONSULTANTS. A REPORT OF THIS INVESTIGATION WILL BE PLACED ON FILE.

OTHER OBSERVATIONS/COMMENTS

THIS PREDRILL INVESTIGATION WAS CONDUCTED ON A HOT, SUNNY DAY.

ATTACHMENTS

PHOTOS OF THIS SITE WERE TAKEN AND PLACED ON FILE.

DAVID W. HACKFORD
DOGM REPRESENTATIVE

7/26/06, 11:30 AM
DATE/TIME

**Evaluation Ranking Criteria and Ranking Scale
For Reserve and Onsite Pit Liner Requirements**

<u>Site-Specific Factors</u>	<u>Ranking</u>	<u>Site Ranking</u>
Distance to Groundwater (feet)		
>200	0	
100 to 200	5	
75 to 100	10	
25 to 75	15	
<25 or recharge area	20	<u>0</u>
Distance to Surf. Water (feet)		
>1000	0	
300 to 1000	2	
200 to 300	10	
100 to 200	15	
< 100	20	<u>5</u>
Distance to Nearest Municipal Well (feet)		
>5280	0	
1320 to 5280	5	
500 to 1320	10	
<500	20	<u>0</u>
Distance to Other Wells (feet)		
>1320	0	
300 to 1320	10	
<300	20	<u>0</u>
Native Soil Type		
Low permeability	0	
Mod. permeability	10	
High permeability	20	<u>10</u>
Fluid Type		
Air/mist	0	
Fresh Water	5	
TDS >5000 and <10000	10	
TDS >10000 or Oil Base Mud Fluid	15	
containing significant levels of hazardous constituents	20	<u>5</u>
Drill Cuttings		
Normal Rock	0	
Salt or detrimental	10	<u>0</u>
Annual Precipitation (inches)		
<10	0	
10 to 20	5	
>20	10	<u>0</u>
Affected Populations		
<10	0	
10 to 30	6	
30 to 50	8	
>50	10	<u>0</u>
Presence of Nearby Utility Conduits		
Not Present	0	
Unknown	10	
Present	15	<u>0</u>

Final Score 20 (Level I Sensitivity)

Sensitivity Level I = 20 or more; total containment is required.

Sensitivity Level II = 15-19; lining is discretionary.

Sensitivity Level III = below 15; no specific lining is required.

08-06 Ker McGee State 1021-36L

Casing Schematic

Clinton

Surface

9-5/8"
MW 8.4
Frac 19.3

TOC @
0.

TOC @
0.

924 Green River

1282
TOC Tail

W/ 10% washout

✓ *Surface Stop

Surface
1720. MD

BHP

$$(0.52)(11)(8700) = 4976$$

Anticipate 5394

Gas

$$(0.12)(8700) = 1044$$

4350

MAASP = ~~395~~

3400 Binsul

3431 TOC Tail

BUPE - 5,000 ✓

4024 Wasatch

✓ W/ 16% Washout

Surf Csg - 2270

70% = 1584

Max pressure @ Surf Csg shoe = 3854

✓ Test to 1584# (propose 1500)

6618 Mesaverde

✓ Adequate D&D 8/25/06

4-1/2"
MW 11.

Production
8700. MD

Well name:		08-06 Ker McGee State 1021-36L	
Operator:	Kerr McGee Oil & Gas	Project ID:	
String type:	Surface	43-047-38152	
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 8.400 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 99 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,514 psi
Internal gradient: 0.120 psi/ft
Calculated BHP 1,720 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Tension is based on buoyed weight.
Neutral point: 1,508 ft

Non-directional string.

Re subsequent strings:

Next setting depth: 8,700 ft
Next mud weight: 11.000 ppg
Next setting BHP: 4,971 psi
Fracture mud wt: 19.250 ppg
Fracture depth: 1,720 ft
Injection pressure 1,720 psi

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	1720	9.625	32.30	H-40	ST&C	1720	1720	8.876	109
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	751	1370	1.825	1720	2270	1.32	49	254	5.22 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: August 9, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 1720 ft, a mud weight of 8.4 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.

Well name:		08-06 Ker McGee State 1021-36L	
Operator:	Kerr McGee Oil & Gas	Project ID:	
String type:	Production	43-047-38152	
Location:	Uintah County		

Design parameters:

Collapse

Mud weight: 11.000 ppg
Design is based on evacuated pipe.

Minimum design factors:

Collapse:

Design factor 1.125

Burst:

Design factor 1.00

Environment:

H2S considered? No
Surface temperature: 75 °F
Bottom hole temperature: 197 °F
Temperature gradient: 1.40 °F/100ft
Minimum section length: 1,500 ft

Cement top: Surface

Burst

Max anticipated surface pressure: 1,958 psi
Internal gradient: 0.346 psi/ft
Calculated BHP 4,971 psi

No backup mud specified.

Tension:

8 Round STC: 1.80 (J)
8 Round LTC: 1.80 (J)
Buttress: 1.60 (J)
Premium: 1.50 (J)
Body yield: 1.50 (B)

Non-directional string.

Tension is based on buoyed weight.

Neutral point: 7,269 ft

Run Seq	Segment Length (ft)	Size (in)	Nominal Weight (lbs/ft)	Grade	End Finish	True Vert Depth (ft)	Measured Depth (ft)	Drift Diameter (in)	Internal Capacity (ft³)
1	8700	4.5	11.60	N-80	LT&C	8700	8700	3.875	201.7
Run Seq	Collapse Load (psi)	Collapse Strength (psi)	Collapse Design Factor	Burst Load (psi)	Burst Strength (psi)	Burst Design Factor	Tension Load (Kips)	Tension Strength (Kips)	Tension Design Factor
1	4971	6350	1.277	4971	7780	1.56	84	223	2.64 J

Prepared by: Clinton Dworshak
Utah Div. of Oil & Mining

Phone: 801-538-5280
FAX: 801-359-3940

Date: August 9, 2006
Salt Lake City, Utah

Remarks:

Collapse is based on a vertical depth of 8700 ft, a mud weight of 11 ppg. The casing is considered to be evacuated for collapse purposes. Collapse strength is based on the Westcott, Dunlop & Kemler method of biaxial correction for tension.

Burst strength is not adjusted for tension.

Engineering responsibility for use of this design will be that of the purchaser.



State of Utah

**Department of
Natural Resources**

MICHAEL R. STYLER
Executive Director

**Division of
Oil, Gas & Mining**

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

August 28, 2006

Kerr McGee Oil & Gas Onshore
1368 S 1200 E
Vernal, UT 84078

Re: State 1021-36L Well, 2014' FSL, 645' FWL, NW SW, Sec. 36, T. 10 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-38152.

Sincerely,

Gil Hunt
Associate Director

pab
Enclosures

cc: Uintah County Assessor
SITLA

Operator: Kerr McGee Oil & Gas Onshore
Well Name & Number State 1021-36L
API Number: 43-047-38152
Lease: ML-47060

Location: NW SW Sec. 36 T. 10 South R. 21 East

Conditions of Approval

1. **General**

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for Permit to Drill.

2. **Notification Requirements**

The operator is required to notify the Division of Oil, Gas and Mining of the following actions during drilling of this well:

- 24 hours prior to cementing or testing casing
- 24 hours prior to testing blowout prevention equipment
- 24 hours prior to spudding the well
- within 24 hours of any emergency changes made to the approved drilling program
- prior to commencing operations to plug and abandon the well

The following are Division of Oil, Gas and Mining contacts and their work telephone numbers (please leave a voice mail message if the person is not available to take the call):

- Dan Jarvis at (801) 538-5338
- Carol Daniels at (801) 538-5284 (spud)

3. **Reporting Requirements**

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. Compliance with the State of Utah Antiquities Act forbids disturbance of archeological, historical, or paleontological remains. Should archeological, historical or paleontological remains be encountered during your operations, you are required to immediately suspend all operations and immediately inform the Trust Lands Administration and the Division of State History of the discovery of such remains.

5. In accordance with Order in Cause No. 190-5(b) dated October 28, 1982, the Operator shall comply with requirements of Rules R649-3-31 and R649-3-27 pertaining to Designated Oil Shale Areas. Additionally, the operator shall ensure that the surface and/or production casing is properly cemented over the entire oil shale interval as defined by Rule R649-3-31. The Operator shall report the actual depth the oil shale is encountered to the Division.

6. Compliance with the Conditions of Approval/Application for Permit to Drill outlined in the Statement of Basis. (Copy Attached)
7. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.
8. Surface casing shall be cemented to the surface.

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 3

AMENDED REPORT ☐
(highlight changes)

APPLICATION FOR PERMIT TO DRILL				5. MINERAL LEASE NO: ML-47060	6. SURFACE: State
1A. TYPE OF WORK: DRILL <input checked="" type="checkbox"/> REENTER <input type="checkbox"/> DEEPEN <input type="checkbox"/>				7. IF INDIAN, ALLOTTEE OR TRIBE NAME:	
B. TYPE OF WELL: OIL <input type="checkbox"/> GAS <input checked="" type="checkbox"/> OTHER _____ SINGLE ZONE <input type="checkbox"/> MULTIPLE ZONE <input checked="" type="checkbox"/>				8. UNIT OR CA AGREEMENT NAME:	
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP				9. WELL NAME and NUMBER: STATE 1021-36L	
3. ADDRESS OF OPERATOR: 1368 S 1200 E CITY VERNAL STATE UT ZIP 84078				PHONE NUMBER: (435) 781-7024	
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2014'FSL, 645'FWL 627722X 39. 902172 AT PROPOSED PRODUCINGZONE: 4417758Y 109. 505917				10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES 11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 36 10S 21E	
14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE: 21.45 MILES SOUTHEAST OF OURAY, UTAH				12. COUNTY: UINTAH	13. STATE: UTAH
15. DISTANCE TO NEAREST PROPERTY OR LEASE LINE (FEET) 645'		16. NUMBER OF ACRES IN LEASE: 640.00		17. NUMBER OF ACRES ASSIGNED TO THIS WELL: 40.00	
18. DISTANCE TO NEAREST WELL (DRILLING, COMPLETED, OR APPLIED FOR) ON THIS LEASE (FEET) REFER TO TOPO C		19. PROPOSED DEPTH: 8,700		20. BOND DESCRIPTION: RLB0005237	
21. ELEVATIONS (SHOW WHETHER DF, RT, GR, ETC.): 5441'GL		22. APPROXIMATE DATE WORK WILL START:		23. ESTIMATED DURATION:	


PROPOSED CASING AND CEMENTING PROGRAM

SIZE OF HOLE	CASING SIZE, GRADE, AND WEIGHT PER FOOT	SETTING DEPTH	CEMENT TYPE, QUANTITY, YIELD, AND SLURRY WEIGHT
12 1/4"	9 5/8" H-40 32.3#	1,720	265 SX 1.18 15.6
7 7/8"	4 1/2" I-80 11.6#	8,700	1840 SX 1.31 14.3

ATTACHMENTS

VERIFY THE FOLLOWING ARE ATTACHED IN ACCORDANCE WITH THE UTAH OIL AND GAS CONSERVATION GENERAL RULES:

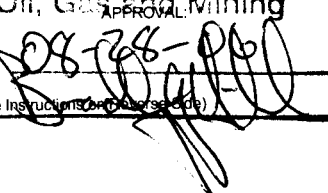
- | | |
|--|--|
| <input checked="" type="checkbox"/> WELL PLAT OR MAP PREPARED BY LICENSED SURVEYOR OR ENGINEER | <input checked="" type="checkbox"/> COMPLETE DRILLING PLAN |
| <input checked="" type="checkbox"/> EVIDENCE OF DIVISION OF WATER RIGHTS APPROVAL FOR USE OF WATER | <input type="checkbox"/> FORM 5, IF OPERATOR IS PERSON OR COMPANY OTHER THAN THE LEASE OWNER |

NAME (PLEASE PRINT) SHEILA UPCHEGG TITLE REGUALTORY ANALYST
SIGNATURE  DATE 5/24/2006

(This space for State use only)

API NUMBER ASSIGNED: 43-047-38152

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 08-28-06
By: 

(11/2001)

RECEIVED
MAY 30 2006
DIV. OF OIL, GAS & MINING

T10S, R21E, S.L.B.&M.

Kerr McGee Oil & Gas Onshore LP

Well location, STATE 1021-36L, located as shown in the NW 1/4 SW 1/4 of Section 36, T10S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

TWO WATER TRIANGULATION STATION LOCATED IN THE NW 1/4 OF SECTION 1, T10S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN NE QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE SERIES (TOPOGRAPHICAL MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 5238 FEET.

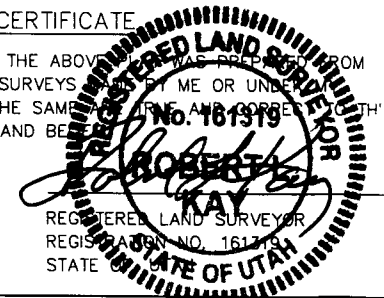
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



SCALE
CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



T10S
T11S

S89°43'W - 1328.25' (G.L.O.) S89°43'W - 1328.25' (G.L.O.) S89°44'27"W - 2655.41' (Meas.)

R
21
E

Brass Cap

N00°08'30"W - 2201.29' (Meas.)

W 1/4 Cor. Sec. 31,
1977 Brass Cap, 0.6'
High, Pile of Stones

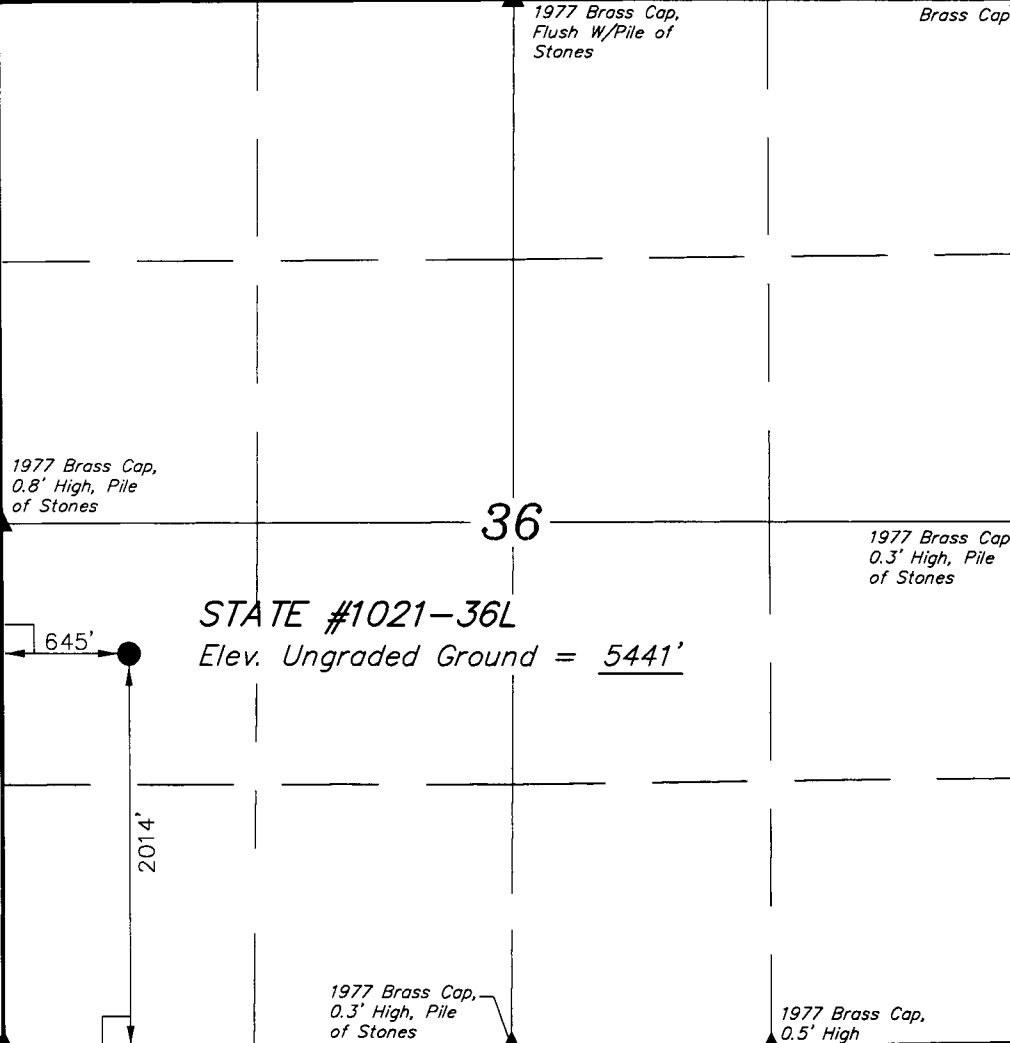
L1

N00°30'57"W - 2136.18' (Meas.)

SW Cor. Sec. 31,
1977 Brass Cap,
Flush W/Pile of
Stones

L2

1977 Brass Cap,
0.3' High, Pile
of Stones



STATE #1021-36L
Elev. Ungraded Ground = 5441'

LINE TABLE

LINE	DIRECTION	LENGTH
L1	N00°13'23"W	484.64'
L2	N02°12'25"E	546.05'

LEGEND:

- = 90° SYMBOL
- = PROPOSED WELL HEAD.
- = SECTION CORNERS LOCATED.

(NAD 83)
LATITUDE = 39°54'07.72" (39.902144)
LONGITUDE = 109°30'23.92" (109.506644)
(NAD 27)
LATITUDE = 39°54'07.84" (39.902178)
LONGITUDE = 109°30'21.45" (109.505958)

UINTAH ENGINEERING & LAND SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 04-26-06	DATE DRAWN: 04-27-06
PARTY N.H. T.F. C.H.	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE Kerr McGee Oil & Gas Onshore LP	

From: Ed Bonner
To: Whitney, Diana
Date: 7/11/2006 10:04:31 AM
Subject: Well Clearance

The following wells have been given cultural resource clearance by the Trust Lands Cultural Resources Group:

Enduring Resources, LLC
Buck Camp 12-22-12-2
Rock House 10-23-24-32
Rock House 10-23-11-32

Dominion E&P, Inc
LCU 3-2H
LCU 6-2H
LCU 8-2H
LCU 7-2H
LCU 9-2H

The Houston Exploration Company
East Coyote 3-2-8-25
East Coyote 4-2-8-25
East Coyote 6-2-8-25
East Coyote 8-2-8-25
East Coyote 10-2-8-25
East Coyote 12-2-8-25
East Coyote 14-2-8-25
East Coyote 16-2-8-25

Kerr McGee Oil & Gas Onshore LP (Westport)
State 1021-36M
State 1021-36L
NBU 1022-18F
Bitter Creek 1122-2B
Bitter Creek 1122-2H
NBU 1021-2C

If you have any questions regarding this matter please give me a call.

CC: Davis, Jim; Garrison, LaVonne; Hill, Brad; Hunt, Gil

DIVISION OF OIL, GAS AND MINING

SPUDDING INFORMATION

Name of Company: KERR-McGEE OIL & GAS ONSHORE, LP

Well Name: STATE 1021-36L

Api No: 43-047-38152 Lease Type: STATE

Section 36 Township 10S Range 21E County UINTAH

Drilling Contractor ROCKY MOUNTAIN DRLG RIG # RATHOLE

SPUDDED:

Date 03/27/07

Time 11:00 AM

How DRY

Drilling will Commence: _____

Reported by LOU WELDON

Telephone # (435) 828-7035

Date 03/29/07 Signed CHD

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORMOperator: KERR MCGEE OIL & GAS ONSHORE LPOperator Account Number: N 2995Address: 1368 SOUTH 1200 EASTcity VERNALstate UTzip 84078Phone Number: (435) 781-7024**Well 1**

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738152	STATE 1021-36L		NWSW	36	10S	21E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>A</u>	99999	<u>16012</u>	3/27/2007			<u>3/29/07</u>	
Comments: MIRU ROCKY MTN BUCKET RIG. <u>WSTMVD</u> SPUD WELL LOCATION ON 03/27/2007 AT 1100 HRS							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
4304738762	BONANZA 1023-20-1		SWSE	2	10S	23E	UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<u>A</u>	99999	<u>16013</u>	3/27/2007			<u>3/29/07</u>	
Comments: MIRU ROCKY MTN BUCKET RIG. <u>WSTMVD</u> SPUD WELL LOCATION ON 03/27/2007 AT 2300 HRS							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA UPCHEGO

Name (Please Print)

Signature

SENIOR LAND SPECIALIST

3/28/2007

Title

RECEIVED

MAR 28 2007

DIV. OF OIL, GAS & MINING

(8/2000)

To: <u>EARLENE RUSSELL</u>	From: <u>SHEILA UPCHEGO</u>
Co./Dept: <u>UDOGM</u>	Co.: <u>KMG</u>
Phone: <u>(801) 538-5336</u>	Phone: <u>(435) 781-7024</u>
Fax #: <u>(801) 309-3940</u>	Fax: <u>(435) 781-7094</u>

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

5. LEASE DESIGNATION AND SERIAL NUMBER:

ML-47060

6. IF INDIAN, ALLOTTEE OR TRIBE NAME:

7. UNIT or CA AGREEMENT NAME:

8. WELL NAME and NUMBER:

STATE 1021-36L

9. API NUMBER:

4304738152

10. FIELD AND POOL, OR WILDCAT:

NATURAL BUTTES

1. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

2. NAME OF OPERATOR:

KERR MCGEE OIL & GAS ONSHORE LP

3. ADDRESS OF OPERATOR:

1368 SOUTH 1200 EAST

VERNAL

UT

84078

PHONE NUMBER:

(435) 781-7024

4. LOCATION OF WELL

FOOTAGES AT SURFACE: 2014'FSL, 645'FWL

COUNTY: UINTAH

QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 36 10S 21E

STATE:

UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

TYPE OF ACTION

☐ NOTICE OF INTENT
(Submit in Duplicate)

Approximate date work will start:

☒ SUBSEQUENT REPORT
(Submit Original Form Only)

Date of work completion:

☐ ACIDIZE

☐ ALTER CASING

☐ CASING REPAIR

☐ CHANGE TO PREVIOUS PLANS

☐ CHANGE TUBING

☐ CHANGE WELL NAME

☐ CHANGE WELL STATUS

☐ COMMINGLE PRODUCING FORMATIONS

☐ CONVERT WELL TYPE

☐ DEEPEN

☐ FRACTURE TREAT

☐ NEW CONSTRUCTION

☐ OPERATOR CHANGE

☐ PLUG AND ABANDON

☐ PLUG BACK

☐ PRODUCTION (START/RESUME)

☐ RECLAMATION OF WELL SITE

☐ RECOMPLETE - DIFFERENT FORMATION

☐ REPERFORATE CURRENT FORMATION

☐ SIDETRACK TO REPAIR WELL

☐ TEMPORARILY ABANDON

☐ TUBING REPAIR

☐ VENT OR FLARE

☐ WATER DISPOSAL

☐ WATER SHUT-OFF

☒ OTHER: WELL SPUD

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU ROCKY MTN BUCKET RIG. DRILLED 20" CONDUCTOR HOLE TO 40'. RAN 14" 36.7# SCHEDULE 10 PIPE. CMT W/ 28 SX READY MIX.

SPUD WELL LOCATION ON 03/27/2007 AT 1100 HRS.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 3/28/2007

(This space for State use only)

RECEIVED

APR 02 2007

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2014'FSL, 645'FWL		8. WELL NAME and NUMBER: STATE 1021-36L
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 36 10S 21E		9. API NUMBER: 4304738152
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA


TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: SET SURFACE CSG.
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

MIRU BILL MARTIN AIR RIG ON 04/02/2007. DRILLED 12 1/4" SURFACE HOLE TO 1980'. RAN 9 5/8" 32.3# H-40 SURFACE CSG. LEAD CMT W/160 SX HIFILL CLASS G @11.0 PPG 3.82 YIELD. TAILED CMT W/200 SX PREM CLASS G @15.8 PPG 1.15 YIELD. GOOD RETURNS THROUGH OUT JOB 25 +/- BBL LEAD CMT TO PIT. RAN 200' OF 1" PIPE. CMT W/130 SX PREM CLASS G @15.8 PPG 1.15 YIELD. DOWN 1" PIPE. GOOD CMT TO SURFACE HOLE STAYED FULL.

WORT

RECEIVED
APR 09 2007
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 4/4/2007

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST CITY VERNAL STATE UT ZIP 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2014'FSL, 645'FWL		8. WELL NAME and NUMBER: STATE 1021-36L
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 36 10S 21E		9. API NUMBER: 4304738152
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: FINAL DRILLING OPERATIONS
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

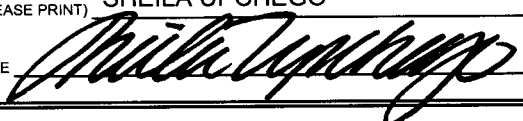
FINISHED DRILLING FROM 1980' TO 8515' ON 05/15/2007. RAN 4 1/2" 11.6# I-80 PRODUCTION CSG. LEAD CMT W/311 SX PREM LITE II @11.1 PPG 3.38 YIELD. TAILED CMT W/1085 SX 50/50 POZ @14.3 PPG 1.31 YIELD. DISPLACE W/131.6 BBLS FW + CLAYTREAT + MAGNACIDE BUMP PLUG W/2800 PSI 500 OVER RELEASE PRESS FLOATS HELD HAD GOOD CIRC DURING JOB W/21 BBLS SCAVENGER CMT TO PIT LAND CASING HANGER W/55,000 TEST HANGER OK. NDBOP CLEAN PITS.

RELEASED PIONEER RIG 53 ON 05/17/2007 AT 0500 HRS

RECEIVED

MAY 29 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 5/23/2007

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
2. NAME OF OPERATOR: KERR MCGEE OIL & GAS ONSHORE LP		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
3. ADDRESS OF OPERATOR: 1368 SOUTH 1200 EAST VERNAL UT 84078		7. UNIT or CA AGREEMENT NAME:
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2014'FSL, 645'FWL		8. WELL NAME and NUMBER: STATE 1021-36L
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 36 10S 21E		9. API NUMBER: 4304738152
COUNTY: UINTAH		10. FIELD AND POOL, OR WILDCAT: NATURAL BUTTES
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: <u>PRODUCTION START-UP</u>

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

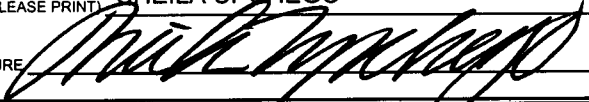
THE SUBJECT WELL LOCATION WAS PLACED ON PRODUCTION ON 06/04/2007 AT 7:00 AM.

PLEASE REFER TO THE ATTACHED CHRONOLOGICAL WELL HISTORY.

RECEIVED

JUN 13 2007

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) SHEILA UPCHEGO	TITLE SENIOR LAND ADMIN SPECIALIST
SIGNATURE 	DATE 6/11/2007

(This space for State use only)



Anadarko Petroleum Corporation
1368 S. 1200 East
Vernal, UT 84078

CHRONOLOGICAL WELL HISTORY

STATE 1021-36L

NWSW, SEC. 36, T10S, R21E

UINTAH COUNTY, UT

DATE	ACTIVITY	STATUS
03/01/07	LOCATION STARTED Pioneer 53	
03/26/07	LOCATION COMPLETE Pioneer 53	P/L IN, WOBR
03/27/07	SET CONDUCTOR Pioneer 53	WOAR
04/02/07	9 5/8" @1955' SET AIR RIG Pioneer 53	WORT
05/08/07	TD: 2004' Csg. 9 5/8" @ 1956' MW: 8.4 SD: 5/X/07 DSS: 0 RURT @ report time.	
05/09/07	TD: 2084' Csg. 9 5/8" @ 1956' MW: 8.4 SD: 5/9/07 DSS: 0 RURT. NU and test BOPE. PU BHA and DP. Drill cmt and FE. Rotary spud @ 0430 hrs on 5/9/07. Drill f/ 2004'-2084'. DA @ report time.	
05/10/07	TD: 3815' Csg. 9 5/8" @ 1956' MW: 8.6 SD: 5/9/07 DSS: 2 Drill from 2084'-3815'. DA @ report time.	
05/11/07	TD: 5230' Csg. 9 5/8" @ 1956' MW: 8.8 SD: 5/9/07 DSS: 3 Drill from 3815'-5230'. DA @ report time.	
05/14/07	TD: 7770' Csg. 9 5/8" @ 1956' MW: 10.3 SD: 5/9/07 DSS: 6 Drill from 5230'-7770'. TFNB. Drill to 7770'. DA @ report time.	
05/15/07	TD: 8155' Csg. 9 5/8" @ 1956' MW: 10.8 SD: 5/9/07 DSS: 7 Drill from 7770'-8155'. TFNB. TIH @ report time.	
05/16/07	TD: 8515' Csg. 9 5/8" @ 1956' MW: 11.6 SD: 5/9/07 DSS: 8 FIH. Drill from 8155'-8515' (TD). CCH and short trip. CCH and LDDP @ report time.	
05/17/07	TD: 8515' Csg. 9 5/8" @ 1956' MW: 11.6 SD: 5/9/07 DSS: 9 LDDP. RU and run logs to TD. Run and cmt 4.5" prod csg. NDBOP, clean pits and release rig @ 0500 hrs on 5/17/07. RDRT @ report time.	
05/18/07	TD: 8515' Csg. 9 5/8" @ 1956' MW: 11.6 SD: 5/9/07 DSS: 9 RDRT. Move off location. Rig on maintenance. Will drop from report until maintenance is completed.	
05/25/07	PU PROD TBG Days On Completion: 1	

Remarks: 7:00 AM. HSM. ROAD RIG FROM STATE 1021-36M TO STATE 1021-36L RU RIG & RIG EQUIPMENT. ND WELL HEAD NU BOP'S. PU 3 7/8" MILL & SUB. DRIFT & TALLEY 277 JTS. RIH TAG PBTD @ 8,463'. POOH LD 23 JTS & STAND BACK 127 STANDS. SWI SDFWE. 100% GOAT PASTURE WATER

05/29/07

LOG AND PERF

Days On Completion: 5

Remarks: MIRU CUTTERS WIRELINE SERVICE. EXECUTE CBL/GAMMA/TEMP & CCL LOG. CMNT TO SURF. MIRU B&C QUICK TEST, PRES TST CSG & FRAC VLVS TO 7500 PSI. RDMO B&C. PU PERF GUN (23 GM CHG, 40" PENE, 4 SPF, 0.36" HOLE), RIH, PERFORATE 8361-66 & 8325-30', TOT OF 40 HOLES, 4 SPF. POOH, RDMO CWLS. SWI, PREP TO FRAC IN MORNING, SDFN.

05/30/07

FRAC

Days On Completion: 6

Remarks: MIRU HALLIBURTON (HAL) & CUTTERS WIRELINE SERVICE (CWLS). HSM. PRES TST LINES TO 8500 PSI. ALL STAGES WILL USE NALCO DVE-005 SCALE INHIBITOR (3 GPT IN PAD THRU HALF OF THE 1ST RAMP OF SAND & 10 GPT IN FLUSH); PERF GUNS WILL BE 3-3/8" EXPENDABLE (23 GM CHG, 40" PENE, 0.36" HOLE, 3 OR 4 SPF-120 OR 90 DEGREE PHASING RESPECTIVELY); 30/50 OTTAWA SAND; RESIN COATED SAND WILL BE THE LAST 5,000 LBS OF SAND; RECYCLES SLICK WATER FROM THE GOAT PASTURE POND; CBPs ARE BAKER 8K 4.5".

STAGE 1: OW: 100 PSI, BRK: 4111 PSI, ISIP: 3047 PSI, FG: 0.81. ER: 41 BPM @ 5000 PSI. POC: 95% (38/40). TOT SND: 19,900 LBS, TOT FL: 656 BBL. ISIP: 2981 PSI, FG: 0.80. MP: 7036 PSI, MR: 55.3 BPM, AP: 5031 PSI, AR: 48 BPM. MU CWLS.

STAGE 2: PU CBP & PERF GUN. RIH SET CBP @ 8274', PU, PERF: 8240-44', 8200-02', 8168-70', 8145-47' & 8117-19', 4, 4, 3, 3 & 4 SPF EA RESPECTIVELY. TOT OF 44 HOLES. POOH, LD WL TLS. MU HAL. OW: 0 PSI, BRK: 3885 PSI, ISIP: 3013 PSI, FG: 0.81. ER: 50.5 BPM @ 4776 PSI. POC: 86% (38/44). SCREENED OUT STAGE, 92,600 LBS SAND IN FORMATION. FLOW WELL BACK TO CLN. FLUSH W/125 BBL. TOT FL: 2676 BBL. MP: 7643 PSI, MR: 55 BPM, AP: 4730 PSI, AR: 50.2 BPM. MU CWLS.

STAGE 3: PU CBP & PERF GUN. RIH SET CBP @ 7251', PU, PERF: 7218-21', 7091-95' & 7068-72', 4 SPF EA, TOT OF 44 HOLES. POOH, LD WL TLS. MU HAL. OW: 900 PSI, BRK: 3725 PSI (STAGE BROKE W/50% OF NORMAL ACID VOLUME), ISIP: 2379 PSI, FG: 0.77. ER: 51.5 BPM @ 4000 PSI. POC: 100% (44/44). TOT SND: 67,000 LBS (62,900 30/50 & 4100 RESIN). TOT FL: 1779 BBL. MP: 4991 PSI, MR: 59 BPM, AP: 4395 PSI, AR: 57.7 BPM. MU CWLS.

STAGE 4: PU CBP & PERF GUN. RIH SET CBP @ 6385', PU, PERF: 6359-60' & 6307-14', 4 SPF EA, TOT OF 32 HOLES. POOH, LD WL TLS. MU HAL. OW: 1280 PSI, BRK: 2500 PSI, ISIP: 2216 PSI, FG: 0.79. ER: 53.8 BPM @ 4423 PSI. POC: 94% (30/32) BROKE STAGE W/50% OF NORMAL ACID VOLUME. TOT SND: 23,800 LBS (18200 LBS 30/50 & 5,600 LBS RESIN). TOT FL: 703 BBL. ISIP: 2875 PSI, FG: 0.89. MP: 5099 PSI, MR: 56.5 BPM, AP: 4478 PSI, AR: 55 BPM. MU CWLS.

STAGE 5: PU CBP & PERF GUN. RIH SET CBP @ 6019', PU, PERF: 5079-89', 4 SPF, TOT OF 40 HOLES. POOH, LD WL TLS. MU HAL. OW: 0 PSI, BRK: 2269 PSI, ISIP: 1709 PSI, FG: 0.73. ER: 55.5 BPM @ 3800 PSI. POC: 85% (34/40) BROKE STAGE W/50% OF NORMAL ACID VOLUME. TOT SND: 19,600 LBS (13,300 LBS 30/50 & 6,300 LBS RESIN). TOT FL: 591 BBL, ISIP: 2547 PSI, FG: 0.87. MP: 4354 PSI, MR: 55.9 BPM, AP: 3759 PSI, AR: 55.2 BPM. MU CWLS.

STAGE 6: PU CBP & PERF GUN. RIH SET CBP @ 4870', PU, PERF: 4836-43' & 4818-21', TOT

OF 40 HOLES, 4 SPF EA. POOH, LD WL TLS. MU HAL.OW: 1050 PSI, BRK: 1758 PSI, ISIP: 1048 PSI, FG: 0.66. ER: 43 BPM @ 2550 PSI. POC: 90% (36/40). BROKE STG W/50% OF NORMAL ACID VOLUME. TOT SND: 44,400 (34,900 30/50 & 9,500 RESIN). TOT FL: 1020 BBL. ISIP: 2405 PSI, FG: 0.94. MP: 3057 PSI, MR: 52.7 BPM, AP: 2809 PSI, AR: 48.9

05/31/07

D/O PLUGS

Days On Completion: 7

Remarks: HSM. ND FRAC VLVS, NU BOP. PU 3-7/8" BIT & FE POBS. RIH W/BIT, SUB & TBG. TAG KILL PLUG @ 6518'. X-OVER EQUIP TO PWR SWVL, MU PMP TO SWVL, ESTAB CIRC. D/O CBPs AS LISTED:

CBP#	FILL DPTH	CBP DPTH	D/O TIME	PRES INCR
1	4785'	4785'	13 MIN	300 PSI
2	4640'	4868'	8	400
3	5995'	6019'	10	300
4	6360'	6388'	8	400
5	7220'	7251'	8	700
6	8245'	8274'	10	500

CONT TO RIH, TAG FILL @ 8385', C/O TO PBTD @ 8442'. POOH, LD TO OF 38 JTS ON FLOAT. PU HNGR, LAND TBG W/246 JTS (7490.04') IN HOLE. RD FLR, ND BOP, NU WH. DROP BALL, RU PMP TO TBG. PMP OF BIT & SUB. ISOLATE & LET BIT & SUB FALL FOR 30 MINS. RACK OUT EQUIP, PREP TO MOVE. WAIT ON WIND TO DIE TO RD RIG. RD RIG. TURN WELL OVER TO FBC. TOT OF 284 JTS TBG ON LOC. EOT @ 7517.07'.

FLOWBACK REPORT: CP 1050#, TP 900#, CK 18/64", 30 BWPH, LOAD REC'D 510 BBLS, LLTR 5660 BBLS

06/01/07

FLOWBACK REPORT: CP 1050#, TP 875#, CK 18/64", 39 BWPH, LOAD REC'D 1416 BBLS, LLTR 5264 BBLS

ON SALES: 0 MCF, 0 BC, 936 BW, TP: 875#, CP: 1050#, 18/64 CHK, 0 HRS, LP: 95#.

06/02/07

FLOWBACK REPORT: CP 1500#, TP 750#, CK 18/64", 30 BWPH, LOAD REC'D 2231 BBLS, LLTR 4449 BBLS

ON SALES: 5 MCF, 0 BC, 936 BW, TP: 720#, CP: 1500#, 18/64 CHK, 0 HRS, LP: 42#.

06/03/07

FLOWBACK REPORT: CP 1850#, TP 850#, CK 18/64", 25 BWPH, LOAD REC'D 2906 BBLS, LLTR 3774 BBLS

ON SALES: 48 MCF, 0 BC, 600 BW, TP: 850#, CP: 1850#, 18/64 CHK, 6 HRS, LP: 4241#.

06/04/07

WELL WENT ON SALES: @ 7: 00 AM, .018 MCF, 875 TBG, 1050 CSG, 18/64 CK, 25 BBWH
FLOWBACK REPORT: CP 1600#, TP 1100#, CK 18/64", 15 BWPH, LOAD REC'D 3376 BBLS, LLTR 3304 BBLS

ON SALES: 343 MCF, 0 BC, 360 BW, TP: 1100#, CP: 1600#, 18/64 CHK, 6 HRS, LP: 96#.

06/05/07

FLOWBACK REPORT: CP 1600#, TP 800#, CK 18/64", 15 BWPH, LOAD REC'D 3736 BBLS, LLTR 2944 BBLS

ON SALES: 486 MCF, 0 BC, 360 BW, TP: 800#, CP: 1600#, 18/64 CHK, 6 HRS, LP: 91#.

06/06/07

FLOWBACK REPORT: CP 1550#, TP 1050#, CK 18/64", 10 BWPH, LOAD REC'D 3971 BBLS, LLTR 2709 BBLS

ON SALES: 556 MCF, 0 BC, 240 BW, TP: 1050#, CP: 1550#, 18/64 CHK, 24 HRS, LP: 101#.

06/07/07

FLOWBACK REPORT: CP 1550#, TP 1050#, CK 18/64", 10 BWPH, LOAD REC'D 3971 BBLS, LLTR 2709 BBLS

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

AMENDED REPORT ☐ FORM 8
(highlight changes)

WELL COMPLETION OR RECOMPLETION REPORT AND LOG

1a. TYPE OF WELL: OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> DRY <input type="checkbox"/> OTHER _____		7. UNIT or CA AGREEMENT NAME
b. TYPE OF WORK: NEW WELL <input checked="" type="checkbox"/> HORIZ. LATS. <input type="checkbox"/> DEEP-EN <input type="checkbox"/> RE-ENTRY <input type="checkbox"/> DIFF. RESVR. <input type="checkbox"/> OTHER _____		8. WELL NAME and NUMBER: STATE 1021-36L
2. NAME OF OPERATOR: KERR McGEE OIL & GAS ONSHORE LP		9. API NUMBER: 4304738152
3. ADDRESS OF OPERATOR: 1368 S 1200 E VERNAL UT 84078		10 FIELD AND POOL, OR WILDCAT NATURAL BUTTES
4. LOCATION OF WELL (FOOTAGES) AT SURFACE: 2014'FSL, 645'FWL AT TOP PRODUCING INTERVAL REPORTED BELOW: AT TOTAL DEPTH:		11. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NWSW 36 10S 21E
		12. COUNTY UINTAH
		13. STATE UTAH

14. DATE SPUDDED: 3/27/2007	15. DATE T.D. REACHED: 5/15/2007	16. DATE COMPLETED: 6/4/2007	ABANDONED <input type="checkbox"/> READY TO PRODUCE <input checked="" type="checkbox"/>	17. ELEVATIONS (DF, RKB, RT, GL): 5441'GL
18. TOTAL DEPTH: MD 8,515 TVD	19. PLUG BACK T.D.: MD 8,442 TVD	20. IF MULTIPLE COMPLETIONS, HOW MANY? *		21. DEPTH BRIDGE MD PLUG SET: TVD
22. TYPE ELECTRIC AND OTHER MECHANICAL LOGS RUN (Submit copy of each) CBL-CCL-GR			23. WAS WELL CORED? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit analysis) WAS DST RUN? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit report) DIRECTIONAL SURVEY? NO <input checked="" type="checkbox"/> YES <input type="checkbox"/> (Submit copy)	

24. CASING AND LINER RECORD (Report all strings set in well)

HOLE SIZE	SIZE/GRADE	WEIGHT (#/ft.)	TOP (MD)	BOTTOM (MD)	STAGE CEMENTER DEPTH	CEMENT TYPE & NO. OF SACKS	SLURRY VOLUME (BBL)	CEMENT TOP **	AMOUNT PULLED
20"	14" STL	36.7#		40		28			
12 1/4"	9 5/8 H-40	32.3#		1,980		490			
7 7/8"	4 1/2 I-80	11.6#		8,515		1396			

25. TUBING RECORD

SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)	SIZE	DEPTH SET (MD)	PACKER SET (MD)
2 3/8"	7.517							

26. PRODUCING INTERVALS					27. PERFORATION RECORD				
FORMATION NAME	TOP (MD)	BOTTOM (MD)	TOP (TVD)	BOTTOM (TVD)	INTERVAL (Top/Bot - MD)	SIZE	NO. HOLES	PERFORATION STATUS	
(A) WASATCH	4,818	6,360			4,818 6,360	0.36	112	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(B) MESAVERDE	7,068	8,366			7,068 8,366	0.36	128	Open <input checked="" type="checkbox"/>	Squeezed <input type="checkbox"/>
(C)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>
(D)								Open <input type="checkbox"/>	Squeezed <input type="checkbox"/>

28. ACID, FRACTURE, TREATMENT, CEMENT SQUEEZE, ETC.

DEPTH INTERVAL	AMOUNT AND TYPE OF MATERIAL
4818'-6360'	PMP 2314 BBLS SLICK H2O & 87,800# 30/50 SD
7068'-8366'	PMP 5111 BBLS SLICK H2O & 179,500# 30/50 SD

29. ENCLOSED ATTACHMENTS: <input type="checkbox"/> ELECTRICAL/MECHANICAL LOGS <input type="checkbox"/> SUNDRY NOTICE FOR PLUGGING AND CEMENT VERIFICATION <input type="checkbox"/> GEOLOGIC REPORT <input type="checkbox"/> CORE ANALYSIS <input type="checkbox"/> DST REPORT <input type="checkbox"/> OTHER: RECEIVED <input type="checkbox"/> DIRECTIONAL SURVEY	30. WELL STATUS: PROD
--	------------------------------

JUL 17 2007

31. INITIAL PRODUCTION

INTERVAL A (As shown in item #26)

DATE FIRST PRODUCED: 6/4/2007		TEST DATE: 6/10/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,243	WATER – BBL: 300	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRESS. 843	CSG. PRESS. 1,235	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,243	WATER – BBL: 300	INTERVAL STATUS: PROD

INTERVAL B (As shown in item #26)

DATE FIRST PRODUCED: 6/4/2007		TEST DATE: 6/10/2007		HOURS TESTED: 24		TEST PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,243	WATER – BBL: 300	PROD. METHOD: FLOWING
CHOKE SIZE: 18/64	TBG. PRESS. 843	CSG. PRESS. 1,235	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL: 0	GAS – MCF: 2,243	WATER – BBL: 300	INTERVAL STATUS: PROD

INTERVAL C (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

INTERVAL D (As shown in item #26)

DATE FIRST PRODUCED:		TEST DATE:		HOURS TESTED:		TEST PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	PROD. METHOD:
CHOKE SIZE:	TBG. PRESS.	CSG. PRESS.	API GRAVITY	BTU – GAS	GAS/OIL RATIO	24 HR PRODUCTION RATES: →	OIL – BBL:	GAS – MCF:	WATER – BBL:	INTERVAL STATUS:

32. DISPOSITION OF GAS (Sold, Used for Fuel, Vented, Etc.)

SOLD

33. SUMMARY OF POROUS ZONES (Include Aquifers):

Show all important zones of porosity and contents thereof. Cored intervals and all drill-stem tests, including depth interval tested, cushion used, time tool open, flowing and shut-in pressures and recoveries.

Formation	Top (MD)	Bottom (MD)	Descriptions, Contents, etc.	Name	Top (Measured Depth)
WASATCH MESAVERDE	4,079 6,608	6,608			

35. ADDITIONAL REMARKS (Include plugging procedure)

36. I hereby certify that the foregoing and attached information is complete and correct as determined from all available records.

NAME (PLEASE PRINT) SHEILA UPCHEGO

TITLE SENIOR LAND ADMIN SPECIALIST

SIGNATURE

DATE 7/11/2007

This report must be submitted within 30 days of

- completing or plugging a new well
- drilling horizontal laterals from an existing well bore
- recompleting to a different producing formation
- reentering a previously plugged and abandoned well
- significantly deepening an existing well bore below the previous bottom-hole depth
- drilling hydrocarbon exploratory holes, such as core samples and stratigraphic tests

* ITEM 20: Show the number of completions if production is measured separately from two or more formations.

** ITEM 24: Cement Top – Show how reported top(s) of cement were determined (circulated (CIR), calculated (CAL), cement bond log (CBL), temperature survey (TS)).

Send to: Utah Division of Oil, Gas and Mining
1594 West North Temple, Suite 1210
Box 145801
Salt Lake City, Utah 84114-5801

Phone: 801-538-5340

Fax: 801-359-3940

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME:
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: STATE 1021-36L
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2014 FSL 0645 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 36 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047381520000
PHONE NUMBER: 720 929-6515 Ext		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UINTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE <input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input checked="" type="checkbox"/> PRODUCTION START OR RESUME <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION <input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUTOFF <input type="checkbox"/> SI TA STATUS EXTENSION <input type="checkbox"/> APD EXTENSION <input type="checkbox"/> WILDCAT WELL DETERMINATION <input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 6/7/2011		
<input type="checkbox"/> SPUD REPORT Date of Spud:		
<input type="checkbox"/> DRILLING REPORT Report Date:		
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. THE SUBJECT WELL WAS RETURNED BACK TO PRODUCTION ON 06/07/2011.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY		
NAME (PLEASE PRINT) Sheila Wopsock	PHONE NUMBER 435 781-7024	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 6/14/2011	

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 6

ENTITY ACTION FORM

Operator: KERR MCGEE OIL & GAS ONSHORE LP Operator Account Number: N 2995
Address: 1368 SOUTH 1200 EAST
city VERNAL
state UT zip 84078 Phone Number: (435) 781-7024

Well 1

API Number	Well Name		QQ	Sec	Twp	Rng	County
Various	NBU REVISION						UINTAH
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
<i>E</i>	<i>Various</i>	<i>2900</i>	<i>3/13/2012</i>			<i>2/1/2012</i>	
Comments: MOVE THE ATTACHED WELLS INTO THE NATURAL BUTTES UNIT REVISION EFFECTIVE 02/01/2012. <i>72 wells</i> <i>5/31/2012</i>							

Well 2

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

Well 3

API Number	Well Name		QQ	Sec	Twp	Rng	County
Action Code	Current Entity Number	New Entity Number	Spud Date			Entity Assignment Effective Date	
Comments:							

ACTION CODES:

- A - Establish new entity for new well (single well only)
- B - Add new well to existing entity (group or unit well)
- C - Re-assign well from one existing entity to another existing entity
- D - Re-assign well from one existing entity to a new entity
- E - Other (Explain in 'comments' section)

SHEILA WOPSOCK

Name (Please Print)

Signature

REGULATORY ANALYST

Title

5/30/2012

Date

RECEIVED

MAY 31 2012

Div. of Oil, Gas & Mining

Entity Action Form Attachment for wells moved into the Natural Buttes Unit Effective 02/01/2012.

API	Well Name	QTR/QTR	orig entity Section	TWNSHP	RANGE	Producing Intervals
4304737079	FEDERAL 920-25I	NESE	15431	25 9S	20E	WASATCH/MESAVERDE
4304737080	FEDERAL 920-25H	SENE	15761	25 9S	20E	WASATCH/MESAVERDE
4304737081	FEDERAL 920-25A	NENE	15553	25 9S	20E	WASATCH/MESAVERDE from MVRD
4304739098	STATE 1021-28M	SWSW	16499	28 10S	21E	WASATCH To WSMVD
4304737918	FEDERAL 1021-26L	NWSW	16390	26 10S	21E	MESAVERDE To WSMVD
4304737919	FEDERAL 1021-26N	SESW	16391	26 10S	21E	WASATCH/MESAVERDE
4304737916	FEDERAL 1021-25O	SWSE	16277	25 10S	21E	WASATCH/MESAVERDE
4304739112	STATE 1021-31M	SWSW	16454	31 10S	21E	WASATCH To WSMVD
4304739127	STATE 1021-32P	SESE	16471	32 10S	21E	WASATCH/MESAVERDE
4304739128	STATE 1021-32O	SWSE	17513	32 10S	21E	WASATCH/MESAVERDE
4304739131	STATE 1021-32L	NWSW	16902	32 10S	21E	WASATCH/MESAVERDE
4304739133	STATE 1021-32J	NWSE	17539	32 10S	21E	WASATCH/MESAVERDE
4304739134	STATE 1021-32I	NESE	16905	32 10S	21E	WSMVD
4304739135	STATE 1021-32H	SENE	17528	32 10S	21E	WASATCH/MESAVERDE
4304735714	FEDERAL 1022-29H	SENE	15147	29 10S	22E	WASATCH/MESAVERDE
4304735715	FEDERAL 1022-29F	SENW	15162	29 10S	22E	WASATCH/MESAVERDE
4304735716	FEDERAL 1022-29B	NWNE	14982	29 10S	22E	WASATCH/MESAVERDE
4304735737	FEDERAL 1022-29I	NESE	15001	29 10S	22E	WASATCH/MESAVERDE
4304735738	FEDERAL 1022-29D	NWNW	15016	29 10S	22E	MESAVERDE To WSMVD
4304734862	FEDERAL 31-10-22	SESE	13879	31 10S	22E	MESAVERDE To WSMVD
4304735173	FEDERAL 1022-31D	NWNW	14132	31 10S	22E	WASATCH/MESAVERDE
4304736492	FEDERAL 1022-31N	SESW	16255	31 10S	22E	WASATCH/MESAVERDE
4304736493	FEDERAL 1022-31I	NESE	15089	31 10S	22E	WASATCH/MESAVERDE
4304736494	FEDERAL 1022-31G	SWNE	15075	31 10S	22E	WASATCH/MESAVERDE
4304736495	FEDERAL 1022-31F	SENE	15230	31 10S	22E	WASATCH/MESAVERDE
4304736574	FEDERAL 1022-31C	NENW	15090	31 10S	22E	WASATCH/MESAVERDE
4304736575	FEDERAL 1022-31J	NWSE	15214	31 10S	22E	WASATCH/MESAVERDE
4304736576	FEDERAL 1022-31L	NWSW	16376	31 10S	22E	WASATCH/MESAVERDE
4304734317	STATE 1-32	NESW	13419	32 10S	22E	WASATCH/MESAVERDE
4304734831	STATE 2-32	SESW	13842	32 10S	22E	MESAVERDE To WSMVD
4304734832	STATE 3-32	NWSW	13844	32 10S	22E	WASATCH/MESAVERDE
4304735095	STATE 1022-32J	NWSE	14097	32 10S	22E	WSMVD
4304735096	STATE 1022-32A	NENE	13914	32 10S	22E	WASATCH/MESAVERDE
4304735186	STATE 1022-32P	SESE	14131	32 10S	22E	MESAVERDE To WSMVD
4304735315	STATE 1022-32O	SWSE	14114	32 10S	22E	WASATCH/MESAVERDE
4304735647	STATE 1022-32H	SENE	14348	32 10S	22E	MESAVERDE To WSMVD
4304736413	STATE 1021-36O	SWSE	15619	36 10S	21E	WASATCH/MESAVERDE
*4304738157 WELL BELONGS TO QEP ENERGY CORP "GH 8-20-8-21" PERMIT NOT APPROVED						
4304734839	FEDERAL 1022-15F	SENW	14618	15 10S	22E	WASATCH/MESAVERDE
4304736414	STATE 1021-36J	NWSE	15651	36 10S	21E	WASATCH/MESAVERDE
4304738152	STATE 1021-36L	NWSW	16012	36 10S	21E	WASATCH/MESAVERDE
4304735440	FEDERAL 1022-15J	NWSE	14617	15 10S	22E	WASATCH/MESAVERDE
4304736415	STATE 1021-36I	NESE	15684	36 10S	21E	WASATCH/MESAVERDE
4304738845	STATE 1021-36D	NWNW	16455	36 10S	21E	WASATCH/MESAVERDE

4304750096	FEDERAL 1022-27H	SENE	17626	27 10S	22E	WASATCH/MESAVERDE
4304736416	STATE 1021-36H	SENE	15335	36 10S	21E	WASATCH/MESAVERDE
4304738846	STATE 1021-36E	SWNW	16523	36 10S	21E	WASATCH/MESAVERDE
4304735676	FEDERAL 1022-28L	NWSW	15110	28 10S	22E	WASATCH/MESAVERDE
4304736417	STATE 1021-36G	SWNE	15297	36 10S	21E	WASATCH/MESAVERDE
4304738847	STATE 1021-36F	SENW	16394	36 10S	21E	WASATCH/MESAVERDE
4304735713	FEDERAL 1022-28N	SESW	15145	28 10S	22E	WASATCH/MESAVERDE
4304736418	STATE 1021-36B	NWNE	14953	36 10S	21E	WASATCH/MESAVERDE
4304738848	STATE 1021-36N	SESW	16359	36 10S	21E	WASATCH/MESAVERDE
4304735735	FEDERAL 1022-28O	SWSE	15285	28 10S	22E	WASATCH/MESAVERDE from MURD
4304736419	STATE 1021-36A	NENE	15035	36 10S	21E	WASATCH/MESAVERDE
4304738849	STATE 1021-36K	NESW	16084	36 10S	21E	WASATCH/MESAVERDE
4304735736	FEDERAL 1022-28M	SWSW	15286	28 10S	22E	WASATCH/MESAVERDE
4304736420	STATE 1021-36P	SESE	15372	36 10S	21E	WASATCH/MESAVERDE
4304738850	STATE 1021-36C	NENW	16396	36 10S	21E	WASATCH/MESAVERDE
4304734861	FEDERAL 29-10-22	SESE	14006	29 10S	22E	MESAVERDE TO WSMVD
4304735577	FEDERAL 1022-33O	SWSE	15080	33 10S	22E	WASATCH/MESAVERDE
4304735739	FEDERAL 1022-33E	SWNW	15193	33 10S	22E	WASATCH/MESAVERDE
4304735740	FEDERAL 1022-33M	SWSW	15373	33 10S	22E	WASATCH/MESAVERDE
4304735741	FEDERAL 1022-33L	NWSW	15511	33 10S	22E	WASATCH/MESAVERDE
4304735742	FEDERAL 1022-33G	SWNE	15404	33 10S	22E	WASATCH/MESAVERDE from MURD
4304735743	FEDERAL 1022-33C	NENW	15405	33 10S	22E	WASATCH/MESAVERDE
4304735744	FEDERAL 1022-33A	NENE	15539	33 10S	22E	WASATCH/MESAVERDE
4304737105	FEDERAL 1022-33D	NWNW	16502	33 10S	22E	WASATCH/MESAVERDE
4304737106	FEDERAL 1022-33F	SENW	16560	33 10S	22E	WASATCH/MESAVERDE from WSTC
4304737107	FEDERAL 1022-33K	NESW	16124	33 10S	22E	WASATCH/MESAVERDE
4304737109	FEDERAL 1022-33N	SESW	16126	33 10S	22E	WASATCH/MESAVERDE
4304737110	FEDERAL 1022-33B	NWNE	16561	33 10S	22E	WASATCH/MESAVERDE
4304735810	STATE 1021-36E	SWNW	14295	36 10S	21E	WASATCH/MESAVERDE

STATE OF UTAH DEPARTMENT OF NATURAL RESOURCES DIVISION OF OIL, GAS, AND MINING		FORM 9
SUNDRY NOTICES AND REPORTS ON WELLS Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.		5. LEASE DESIGNATION AND SERIAL NUMBER: ML-47060
1. TYPE OF WELL Gas Well		6. IF INDIAN, ALLOTTEE OR TRIBE NAME:
2. NAME OF OPERATOR: KERR-MCGEE OIL & GAS ONSHORE, L.P.		7. UNIT or CA AGREEMENT NAME: NATURAL BUTTES
3. ADDRESS OF OPERATOR: P.O. Box 173779 1099 18th Street, Suite 600, Denver, CO, 80217 3779		8. WELL NAME and NUMBER: STATE 1021-36L
4. LOCATION OF WELL FOOTAGES AT SURFACE: 2014 FSL 0645 FWL QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: Qtr/Qtr: NWSW Section: 36 Township: 10.0S Range: 21.0E Meridian: S		9. API NUMBER: 43047381520000
PHONE NUMBER: 720 929-6100		9. FIELD and POOL or WILDCAT: NATURAL BUTTES
COUNTY: UTAH		STATE: UTAH
11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA		
TYPE OF SUBMISSION	TYPE OF ACTION	
<input type="checkbox"/> NOTICE OF INTENT Approximate date work will start:	<input type="checkbox"/> ACIDIZE	
<input checked="" type="checkbox"/> SUBSEQUENT REPORT Date of Work Completion: 3/29/2015	<input type="checkbox"/> ALTER CASING	
<input type="checkbox"/> SPUD REPORT Date of Spud:	<input type="checkbox"/> CASING REPAIR	
<input type="checkbox"/> DRILLING REPORT Report Date:	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	
	<input type="checkbox"/> CHANGE TUBING	
	<input type="checkbox"/> CHANGE WELL STATUS	
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	
	<input type="checkbox"/> CONVERT WELL TYPE	
	<input type="checkbox"/> DEEPEN	
	<input type="checkbox"/> FRACTURE TREAT	
	<input type="checkbox"/> NEW CONSTRUCTION	
	<input type="checkbox"/> OPERATOR CHANGE	
	<input type="checkbox"/> PLUG AND ABANDON	
	<input type="checkbox"/> PLUG BACK	
	<input checked="" type="checkbox"/> PRODUCTION START OR RESUME	
	<input type="checkbox"/> RECLAMATION OF WELL SITE	
	<input type="checkbox"/> RECOMPLETE DIFFERENT FORMATION	
	<input type="checkbox"/> REPERFORATE CURRENT FORMATION	
	<input type="checkbox"/> SIDETRACK TO REPAIR WELL	
	<input type="checkbox"/> TEMPORARY ABANDON	
	<input type="checkbox"/> TUBING REPAIR	
	<input type="checkbox"/> VENT OR FLARE	
	<input type="checkbox"/> WATER DISPOSAL	
	<input type="checkbox"/> WATER SHUTOFF	
	<input type="checkbox"/> SI TA STATUS EXTENSION	
	<input type="checkbox"/> WILDCAT WELL DETERMINATION	
	<input type="checkbox"/> OTHER: <input style="width: 100px;" type="text"/>	
12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc. The STATE 1021-36L well was returned to production on 3/29/2015. Thank you.		
Accepted by the Utah Division of Oil, Gas and Mining FOR RECORD ONLY March 30, 2015		
NAME (PLEASE PRINT) Kristina Geno	PHONE NUMBER 720 929-6824	TITLE Regulatory Analyst
SIGNATURE N/A	DATE 3/30/2015	